

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2007

THURSDAY, MARCH 16, 2006

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:30 a.m., in room SD-124, Dirksen Senate Office Building, Senator Conrad Burns (chairman) presiding.

Present: Senators Burns, Cochran, Allard, and Dorgan.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENT OF MARK E. REY, UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

ACCOMPANIED BY:

DALE BOSWORTH, CHIEF

LENISE LAGO, ACTING BUDGET DIRECTOR

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. We will call the committee to order, and thank you, and good morning. I'm very pleased the Forest Service Chief, Dale Bosworth—nice to have you here with us this morning and I hope everything is all right over in your camp and also, the Under Secretary for Natural Resources and Environment.

BUDGET REDUCTIONS

I thought you were for the environment, Mark. But it's nice to have you here this morning and of course, you've been before this subcommittee many, many times.

We all know there's a little belt tightening around here in trying especially in the non-defense and non-homeland security programs for fiscal year 2007. In fact we'll be debating this budget resolution this week and I would imagine that the debate continues on the direction of the overall amount of discretionary spending that this committee will have to spend. The President's budget request for the Forest Service is \$4.096 billion in non-emergency discretionary appropriations.

This represents a 2.5 percent cut, compared to 2006 of \$4.2 billion for non-emergency funds. I know that in this budget climate,

tough choices have to be made about some of the proposed program cuts in the Forest Service really concern me.

For example, funding for maintaining road systems has been cut by \$39 million, an 18 percent reduction. This is hard to understand given the Forest Service own estimates that they are—have more than \$4.5 billion backlogged in maintenance work on its roads.

If we don't maintain those roads, then people ultimately can't access the forest whether it's for recreation, firefighting, or forest management. I think that is very shortsighted.

Funding for State fire assistance has also been decreased over \$22 million. That's a 25 percent reduction. This will reduce by over 5,000, the number of rural fire departments that receive grants and technical assistance. These fire departments are often the first to respond to wildland fires and they provide a vital help to the Forest Service and the Department of the Interior.

Another concern is \$29 million cut in forest health programs in State and private forestry. I remember we had great debates, at one time, on the use of this money and how effective it is. In my State we have an enormous problem with bark beetles and the forest health funds for that program have been cut in half.

The dead trees that result from beetle kill add directly to the already excessive fuel loads and greatly increase the fire risk. I would draw your attention to the forest, especially in Montana, where I get to look at those red trees every time I drive down the road and I see nothing—nothing happening in order to take this on. Because I'll tell you, these bark beetles coming through a 7- or an 8-year drought, we had trees that were stressed and they become more vulnerable to that beetle than any other tree in the forest. We've done hardly anything to take stressed trees and infected trees out of the forest to deal with this problem and that's the only way we have to dealing with it. I think that's the only thing I've been told, is the removal of those trees.

BUDGET INCREASES

On the other side of the ledger, a few programs receive significant increases in the proposed budget request. These include the timber program, \$32.5 million, Forest Legacy, that's good. Hazardous fuels is \$10 million. That's good and I think you would have to put in that definition, these beetle kills. They're definitely a part of that problem.

Wildfire suppression, we have an increase of \$56 million and we're all interested in hearing from both of you how you formulated the 2007 budget and how you made the difficult decisions allocating funding between the various programs.

SECURE RURAL SCHOOLS ACT

Finally another issue that concerns me, is the administration's proposal on reauthorization of the Secure Rural Schools Act. This proposal would sell over 300,000 acres of our National Forest System lands, including 14,000 acres in Montana, to pay for continuing payments to counties for another 5 years.

Now as I've traveled around my State and talked to various groups and individuals, county commissioners, there is simply no support for that proposal in this form. We need to come up with

a better way to find reauthorization of the Secure Rural Schools Act. I think the national taxpayer has to be aware of this because it impacts communities that rely heavily on forest and forest products.

So I thank you for joining me today. We're going to talk a little bit about grazing permits and be ready for that. So make sure you get out your reference material. I want to see how you justify that and so, I look forward to hearing from both of you, Dale and Mark, in this hearing today.

Now, my good friend from North Dakota who has had a great ski season this year. They've had quite a lot of snow. Thank you for joining us.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much. I agree with much of what you've had to say. This appropriations request really shorts needed funding in many, many areas. Access to public lands, fewer roads and trails to provide that access, fewer resources for State and local governments, less funding for recreation and resource development.

FISCAL POLICY

I understand Secretary Rey, Mr. Bosworth, and Ms. Lago will be here to support the administration's budget, that is your job. If we were to ask you if you agree or disagree, you must agree because you are an appointee and we understand all that. But I think it's also the case that we have a fiscal policy that doesn't add up. It just doesn't add up.

The reason that you're coming in, in fact we—last year, cut a half a billion dollars below our previous year's spending in this subcommittee. Half a billion dollars, not reducing the rate of growth, but we cut a half a billion dollars. The President's budget cuts another one-half billion dollars below that for the next year.

My point is, the fiscal policy doesn't add up and the result is a lot of good things are going to pay the cost of that and I regret that. We have to try to find a better set of priorities and we need to be doing it in a way that is thoughtful.

I did not bring a leafy spurge plant, you're well familiar with it. In fact, you brought pictures to show me I understand, that you're actually taking care of some of that leafy spurge. Not all of it, we still have a lot of work to do. But I appreciate your attention to it. Mr. Rey was in North Dakota recently, met with some ranchers and he actually talked about leafy spurge just a bit.

You know there are many things, I won't go over them all, but the President is proposing to sell about \$800 million in national forest lands in order to finance county payments for roads and schools. The reason we're forced into all of these abstinence choices, is we have a fiscal policy that doesn't add.

We are spending money we don't have in areas now. I think we're going to be at \$440 billion for Iraq and Afghanistan and now Katrina, and none of it's paid for. Nobody's ever asked to pay for any of it, really.

So we just flounder along and at some point, somebody's going to say you know, this is unsustainable, it's a fiscal policy that

doesn't work. But in its details in this subcommittee, you see the consequences of that, and it is cuts in areas that will have real impact, and are not cuts that make sense in the long term.

Having said all that, I appreciate once again, you're being here and there are many areas to question and I have another Appropriations subcommittee just around the corner that I'm going to have to ask some questions of, about the train accident in Minot with respect to the anhydrous ammonia, some years ago. I've got to go ask the FRA some questions about that this morning.

So I won't be able to hear all of your testimony, but I want to thank all three of you for being here this morning and you need to work with us because we need to find ways to make sense of all of this in an environment in which the fiscal policy doesn't add up. Mr. Chairman, thank you.

Senator BURNS. You are welcome and thank you for your statement, Senator Dorgan. And that is the reason they hire us around here, is to kind of protect these areas. So we will do that and try to find ways to pay for it.

Mr. Secretary, nice to see you this morning and we look forward to your statement.

Mr. REY. With your sufferance, the Chief is actually going to start.

Senator BURNS. Chief, it's good to see you. I think everything is going well with you.

SUMMARY STATEMENT OF DALE BOSWORTH

Mr. BOSWORTH. Everything is going just fine. Mr. Chairman and Mr. Dorgan, I do appreciate the opportunity to be here today and talk about the President's fiscal year 2007 budget for the Forest Service.

As was stated, the 2007 President's budget for the Forest Service totals about \$4.1 billion in discretionary funding. That's a \$104 million decrease from fiscal year 2006.

FOREST SERVICE ACCOMPLISHMENTS

What I would like to do is begin by discussing some of our successes from the past year and then talk about our strategy for accomplishing our agency's objectives.

We had some significant accomplishments last year and a lot of our accomplishments, I think, are things that are measurable through performance measures and we're able to quantify those. Some of the priority areas where we either met or we exceeded our target included things like hazardous fuel treatment, noxious weed treatment, stream and lake restoration enhancement, timber volume that was sold, terrestrial habitat enhancement, decisions on range allotments, and number of miles of trails that were maintained.

We accomplished much of that important work while also opening a service center in Albuquerque, New Mexico, which, in the end, will save dollars that will eventually go to the ground.

I'm particularly proud of our ability to respond to unplanned events and in particular, the catastrophic hurricanes that hit the gulf States last year—hurricanes Katrina and Rita had a huge impact on the Forest Service, as well as a number of other people.

Those strong winds affected something like 6 million acres of forest land in five southern States including over 300,000 acres of national forest land. Potential losses amounted to 15 to 19 billion board feet of timber and about 90 percent of that was on private land.

Since the hurricanes, the Forest Service has sold 256 million board feet of timber that had been damaged during the hurricanes. We've opened about 2,000 miles of road, and are in the process of also repairing some of that road.

In support of hurricane Katrina response in the days after the hurricane, the interagency teams managed all agency radio, phone, and data communications; coordinated the receiving and distribution of 1,000 truckloads of supplies; provided evacuees with food, clothing, and shelter; and supported emergency medical operations at the New Orleans airport.

At the base camp for example, four crews moved 2,400 patients in a 3-day period to and from the Air Force triage hospital in New Orleans Airport. An incident command team managed the staging area in Mississippi, that was one of the largest air operations in the storm-affected area. Our crews unloaded, and refueled, and stored 10 to 12 747 plane loads of commodities every day.

In one incident, the command team shipped over 2.9 million meals, 5.6 million gallons of water, and 39 million pounds of ice. That's enough drinking water for 11 million people for 1 day.

FISCAL YEAR 2007 PRIORITIES

I'd like to move on to talk about the priorities for 2007. The budget continues to work with the Healthy Forests Initiative and the Healthy Forests Restoration Act Authorities in restoring forest health. The Forest Service will treat 3.2 million acres in fiscal year 2007 and the majority of that will be in the wildland-urban interface.

We've been increasing use of our stewardship contracting authorities. We have 209 projects now underway and we expect to have 80 more contracts and agreements in fiscal year 2007.

A key theme from the White House Conference on Cooperative Conservation in the Forest Service's Centennial Congress is that our future in the Forest Service is going to be through collaboration and not through regulation. We're going to continue to move that way.

Our new planning processes, our new travel management rule, as well as the resource advisory committees that are established through the Recreation Enhancement Act, are all going to be ways of leveraging public involvement to improve Forest Service efficiency and effectiveness.

Our budget reflects our continued implementation of our vision as the center of excellence, reducing our indirect cost by about \$200 million by the end of fiscal year 2007. The Facilities Realignment and Enhancement Act allows us to streamline facility holdings and still produce additional funds for our mission critical facility maintenance.

Our Business Operations Transformation Program is estimated to save \$241 million by fiscal year 2011, while also improving the transparency and accountability of our systems.

PREPARED STATEMENT

In conclusion, our 2007 budget responds to the national need for deficit reductions while preparing for new and a much more collaborative era in the future for natural resource management.

Again, I appreciate the opportunity to be here and I look forward to working with you to implement our 2007 program. I'd be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF DALE BOSWORTH

OVERVIEW

Mr. Chairman and members of the Committee, thank you for this opportunity to discuss the President's fiscal year 2007 Budget for the Forest Service. I am pleased to be here with you today.

The fiscal year 2007 President's budget for the Forest Service totals \$4.10 billion in discretionary funding, which is a \$104 million decrease in funding from fiscal year 2006. The budget advances the top priorities of the agency in order to sustain the health of the Nation's forests and grasslands. I will begin today by sharing some of the Forest Service's successes from the past year; these successes demonstrate our capabilities to accomplish the challenges ahead. Then, I will discuss our strategy for accomplishing agency objectives at a time when our Nation also needs to exercise fiscal discipline to provide the critical resources needed for our Nation's highest priorities: fighting the war on terrorism, strengthening our homeland defenses and sustaining the momentum of our economic recovery.

FOREST SERVICE SUCCESSES

In 2005, the Forest Service achieved its priorities and demonstrated that it continues to be an agency of great value to the American people. The Forest Service exceeded its goals to restore the health of our forests and protect critical resources from catastrophic wildfires. Working collaboratively with the Department of the Interior (DOI), the Forest Service controlled 99 percent of all unwanted and unplanned fires during initial attack.

The Forest Service and the Department of the Interior last year treated hazardous fuels on more than 2.9 million acres of land, and reduced hazardous fuels on an additional 1.4 million acres through other land management actions. Federal agencies plan to treat 2.9 million more acres in 2006, and accomplish hazardous fuels reduction on an additional 1.6 million acres through landscape restoration activities. An additional 4.6 million acres are planned for 2007, which includes 3.0 million acres of hazardous fuels treatments and 1.6 million acres of landscape restoration. By the end of fiscal year 2007, federal agencies will have treated hazardous fuels on more than 21.5 million acres of our Nation's forests and wooded rangelands since the beginning of fiscal year 2001, and will have restored an additional 5.1 million acres.

I am especially proud this year of the strength and resourcefulness that Forest Service employees demonstrated during their involvement in the relief efforts following the many hurricanes of 2005. In the first four weeks after Katrina's landfall, Forest Service employees provided support to over 600,000 people affected by Katrina, distributing over 2.7 million meals, 4 million gallons of water and 40 million pounds of ice. During peak response to Hurricanes Katrina and Rita, the Forest Service had 5,500 employees working in the affected region, and total Forest Service efforts represented over 250,000 personnel days. Forest Service employees provided a variety of critical services, including managing evacuation centers and base camps, providing logistical support, clearing roadways, and leading forest restoration efforts on both the private and public forests damaged by the storms.

These efforts demonstrated the exceptional work ethic and "can-do" attitude of Forest Service employees. At the Levi Strauss shelter in San Antonio, Red Cross worker Bill Martin reported that "[Forest Service workers] do everything here. . . . They aren't afraid of getting their hands dirty." At this shelter, Forest Service employees became known as the "green pants." The nickname arose from evacuees who quickly learned that if they needed something done quickly or a question answered right away, they could get it from the men and women wearing the green pants of the Forest Service uniform. The commitment to service that Forest Service employ-

ees demonstrated during the hurricane relief efforts is the same commitment that sustains the health of our Nation's forests and grasslands.

The National Forest System continues to provide benefits to the American public, including fresh water, flood regulation, carbon sequestration and recreation. 60 million people benefit from clean water provided by national forests and grasslands, and in 2005 the American people made over 200 million visits to the national forests and grasslands. These statistics underscore the importance of the National Forest System to the environmental infrastructure and natural heritage of the United States.

The Forest Service accomplished all these tasks while simultaneously improving its organizational and financial management. In 2005 the Forest Service began its Business Operations Transformation Program, which will advance the efficiency of its technology, budget, finance and human resources operations, and is expected to save the agency \$241 million in administrative operation costs over the next five years. As part of this effort, the Albuquerque Service Center became operational in 2005, and will create a centralized location for human resources and financial management operations.

The Forest Service also achieved its fourth unqualified ("clean") audit opinion in a row for fiscal year 2005, continuing the agency's efforts to improve financial performance. Building upon these successes, the Forest Service will use improved financial information to drive results in key areas.

FOREST SERVICE PRIORITIES FOR FISCAL YEAR 2007

In fiscal year 2007 the Forest Service will continue its strategic focus on the following goals: restoring fire-adapted forests; providing sustainable recreation opportunities for the American people; improving the health of our watersheds; and helping our Nation meet its energy needs.

In addition to these long-term strategic goals, the President's Budget provides increased support to Forest Service programs that improve forest health conditions, protect critical resources from catastrophic wildland fire, and help prevent the loss of open space. The President's Budget demonstrates that the Forest Service can use collaborative approaches and operate with renewed efficiency and accountability in order to reduce costs while accomplishing its mission. The Forest Service will achieve this by: (1) dealing strategically with threats to forest health; (2) expanding collaborative efforts; (3) increasing the efficiency of Forest Service programs; and (4) improving organizational and financial management. Through these four strategies, the Forest Service will build on its past successes and advance its priorities for fiscal year 2007.

A STRATEGIC APPROACH TO RESTORING FOREST HEALTH

The fiscal year 2007 Budget continues the work of the Forest Service under the authorities of the President's Healthy Forests Initiative and the Healthy Forests Restoration Act (HFRA). These authorities have removed administrative process delays and expedited critical restoration projects so that the Forest Service can more effectively restore national forests and grasslands to a more fire adaptive environment.

In 2005, the Forest Service treated 2.72 million acres of land to reduce hazardous fuels, with over 60 percent of those acres in the wildland-urban interface. The fiscal year 2007 budget proposes \$292 million for the treatment of hazardous fuels. Combined with other programs, the agency will treat as many as 3.2 million acres, with a majority of acres treated in the wildland-urban interface. Recent court decisions affecting our use of categorical exclusions to accomplish this work will have an effect on our ability to rapidly and efficiently treat these acres that are in need of fuels reduction. The Forest Service is also better integrating its hazardous fuels treatments with other vegetation management activities. The result is an additional 1.1 million acres of hazardous fuels treated in 2005 as secondary benefits to other vegetation management activities. Hazardous fuels treatments, in turn, often have secondary benefits such as wildlife habitat improvement or watershed restoration.

Another important tool for improving forest health is stewardship projects. These projects allow forest managers to more efficiently manage efforts to restore forest health through the use of one contract document authorizing the disposal of national forest system timber incidental to and in exchange for services to be performed on national forest system land. The President's budget will allow the Forest Service to award approximately 100,000 acres of stewardship projects in fiscal year 2007, providing services such as noxious weed treatment, lake restoration, and harvesting biomass for energy use.

In fiscal year 2007 the Forest Service will continue to assist communities adjacent to national forest land in the development of Community Wildfire Protection Plans (CWPPs). CWPPs enable communities to establish a localized definition of the wildland-urban interface in their area, and high-risk areas identified in a CWPP receive funding preference from the Forest Service. As of December 2005, at least 450 CWPPs had been completed nationwide, covering at least 2,500 communities at risk from wildfire.

In 2005, fires burned 8.6 million acres on Federal lands; the fire season was characterized by a continuing drought and dry fuel conditions. Climate forecasts and estimates of fuel loads on our Nation's forests highlight the continued need for highly trained and efficient fire prevention and fire suppression programs. In order to maintain these programs, the President's Budget proposes a \$56 million increase above the fiscal year 2006 enacted amount for wildland fire suppression. This funding request equals the most recent 10-year average for suppression costs, which are on an upward trend.

In 2005, the Forest Service continued its success in initial fires suppression, containing 99 percent of all unwanted fires. The President's Budget provides the preparedness funding needed to maintain this initial attack success rate. The development of an interagency fire managing planning and budget model to support cost effective allocation of preparedness resources is currently underway.

The President's Budget provides additional incentives for reducing suppression costs by authorizing use of unobligated wildfire suppression funds for hazardous fuels treatment. This provides an incentive for line officers to reduce suppression expenses so they can have more resources to conduct hazardous fuels treatment. We are also committed to managing wildland fires for resource benefits or, as we also refer to it as, wildland fire use. This option is available to Federal agencies that have an approved land use plan and a fire management plan that allows for it. Our ability to manage naturally occurring fires in order to improve the health of fire dependent forests is increasing each year. The 2005 total of an additional 251,000 acres was significantly higher than 2004 and we look forward to increasing our capability to use this important tool.

These programs demonstrate the Forest Service's approach to restoring national forests and grasslands to a more fire adaptive environment. Through stewardship contracting, collaboration and community involvement, strategic treatment of hazardous fuels, and well-planned fire prevention and suppression, we are having a long-term impact on minimizing wildfire threats.

The protection of forest health and open space is increasingly affected by the dynamics of a global timber market. Timber prices are now often set globally; the result has been a reduction in the private wood products infrastructure and divestment of timber companies from their timber land in the United States. These trends have altered the economic and environmental reality in which the Forest Service operates. The fiscal year 2007 budget provides several strategies to deal with these realities.

The sell-off of industrial timber lands opens up millions of acres to potential development, which in turn adds to the threat of the loss of open space. To counter these trends, the President's Budget requests \$62 million for the Forest Legacy Program, a \$5 million increase over last year, which will protect an estimated 130,000 priority acres in fiscal year 2007. The Forest Legacy Program works in concert with the cooperative efforts of other Federal, State and non-governmental organizations to assist private landowners sustain intact, working forests.

With the reduction in mill capacity and other related infrastructure, market conditions have created a more limited demand pool and led to higher costs for remaining purchasers, adversely affecting the financial feasibility of restoration work on our Nation's forests and grasslands. The fiscal year 2007 budget addresses this need by dedicating \$5 million to foster markets in biomass utilization. Additionally, authorities of HFI/HFRA and stewardship contracting enable more efficient and effective partnerships with the local community in treating hazardous fuels, and promote investment in the local infrastructure to utilize timber.

With greater exchange of global goods also comes greater transfer of invasive species. The fiscal year 2007 budget provides over \$94 million to Forest Service invasive species programs, allowing the agency to complete invasive species suppression, prevention and management on over 61,000 acres of Federal lands and 315,000 acres of state and private lands. These efforts involve enhanced collaboration with Forest Service partners to find and implement solutions to invasive species problems. In 2004 the Forest Service invasive species program underwent a program assessment rating tool (PART) evaluation. As a result of the assessment, new program performance measures based on a scientific or policy basis for validating agency actions were developed to more frequently update and utilize forest health risk maps.

for decision making and allocation of resources; and to provide for the measurement of the environmental and economic effects of invasive species treatments.

An additional strategy for protecting forest health involves USDA's work to broaden the use of markets for ecosystem services through voluntary market mechanisms as announced by Secretary Johanns at the White House Conference on Cooperative Conservation. As part of this effort, Forest Service Research and Development will continue its work regarding the quantification of ecosystem services values.

INCREASED COLLABORATIVE EFFORTS

The White House Conference on Cooperative Conservation, held in August 2005, marked an important milestone in the effort to expand and improve collaboration in natural resource management. The White House Conference underscored a clear lesson learned from the Forest Service Centennial—that the Forest Service has entered a new, more collaborative era of natural resource management. Today we are focusing on improving forest health and promoting sustainable recreation. In order to work effectively in this new environment, the future of the Forest Service must be built on collaboration instead of top-down regulation.

The new planning rule for the Forest Service creates a dynamic planning process that is less bureaucratic, emphasizes sound science, and encourages more public involvement earlier in the planning stages. We also expect that the new system of planning will be more strategic, transparent, timely and efficient. The planning process will be more effective because the rule requires annual evaluation of monitoring results and a comprehensive evaluation every 5 years. Under the old planning rule, it usually took five to seven years to revise a 15-year land management plan; under the new rule, we expect that a plan revision will take from two to three years, saving the agency significant time and money.

The new travel management rule, issued in November 2005, provides another example of successful cooperation resulting in effective rule making. In 2004, OHV users accounted for between 11 and 12 million visits to national forests and grasslands. While the Forest Service believes that OHVs are a legitimate use of the National Forest System, unmanaged OHV use has resulted in unplanned roads and trails, erosion, watershed and habitat degradation, and impacts to cultural resource sites. The 2005 travel management rule requires each national forest and grassland to designate the roads, trails and areas that will be open to motor vehicle use. The Forest Service will engage the public so that travel management will be a cooperative process, which in turn will help increase compliance. The result will be greater protection for recreation resources without significant expenditures from Forest Service appropriations.

In 2004 Congress approved the Federal Lands Recreation Enhancement Act, giving the Forest Service a 10-year authority to reinvest a portion of collected recreation fees to enhance local recreation opportunities and improve wildlife habitat in the area. We are projecting receipts of \$54.8 million in fiscal year 2007 under REA. The Act also directed the creation of recreation advisory committees that will provide public involvement and comment on recreation fee programs. We are planning to establish a number of committees and councils throughout the country to afford communities and citizens the opportunity to provide input into the recreation fee program. I want to thank Congress for providing the Forest Service with this new and effective tool for cooperative conservation.

A final example of collaboration includes working closely with the Bureau of Land Management in the energy permitting process. The Energy Policy Act of 2005 allows the BLM and the Forest Service to develop interagency agreements to support established BLM pilot offices designed to streamline the oil and gas permitting process on federal lands. These agreements will be used to reduce the backlog of oil and gas Applications for Permit to Drill (APDs) and improve the inspection and enforcement processes.

We will continue to emphasize the processing of APDs and lease requests, and the initiation and completion of several major oil and gas environmental impact statements. This emphasis will increase the resources available to process energy permit applications, resulting in a more effective permitting process. Within the energy program, the "process mineral applications" activity will increase by \$7 million over the fiscal year 2006 enacted level to meet the high priority objective of processing energy mineral applications.

INCREASE THE EFFICIENCY OF FOREST SERVICE PROGRAMS

The President's Budget reflects continued implementation of the Forest Service's vision as a "Center of Excellence in Government" in which it will be viewed as a model agency recognized for efficiently delivering its services. The Budget continues

reforms that will streamline the Forest Service's organization, improve accountability, and focus on measurable results. The Budget reduces indirect costs to \$461 million, and reflects completion of organizational efficiency studies that will lead to savings in fiscal year 2008 and beyond. The Budget further reflects a continuing emphasis on Forest Service performance and accountability by including two new performance measures for the National Forest System: (1) the use of volume sold as an annual output measure for forest products and (2) an annual efficiency measure consisting of the ratio of total receipts for each activity to the obligations for each respective activity that generates those receipts. These reforms will foster a greater focus on results; lead to improved decisions based on performance; and enhance accountability through the use of more readily available and better quality performance information.

Through the President's Budget the Forest Service will continue to make use of valuable authorities that Congress has recently made available to the agency, and the Forest Service will continue its efforts to increase program efficiency. With the provisions of the Forest Service Facilities Realignment and Enhancement Act, the Forest Service is reducing its administrative site maintenance backlog and improving efficiency in its land management program. This new authority provides a necessary incentive to identify and maintain needed facilities while streamlining facility holdings that reflect a bygone era of forest management. In fiscal year 2006, we anticipate \$37 million in receipts from this conveyance authority and we will be initiating over 100 administrative site conveyances with projected receipts of over \$77 million by fiscal year 2009. In short, the new authority enables the Forest Service to accomplish more with its Capital Improvement and Maintenance funds, while also decreasing the deferred maintenance backlog by removing unneeded facilities.

In fiscal year 2007, the Forest Service will continue to implement the fiscal year 2006 changes to Knutson-Vandenberg (K-V) authority, which allow the Forest Service more flexibility in the expenditure of K-V funds. Consistent with OMB direction to offset increases in mandatory spending, the agency has issued direction to the field to increase collections into the National Forest Fund to offset the increase in the K-V program. I would like to express my appreciation for support that this subcommittee has given the Forest Service in improving this authority.

Providing high quality recreation opportunities on the national forests and grasslands is of great importance to the Forest Service. National forests and grasslands received over 200 million visits occurring in 2005. The fiscal year 2007 Budget contains \$250.9 million to provide these opportunities for visitors to National Forest System lands. To provide the most efficient use of these funds, we are developing a programmatic plan called, "the capacity-building model for sustainable recreation," that will identify ways to build capacity to meet increasing demand. Tools will include partnership development, volunteerism, recreation fee revenues, improved business practices, and prioritization of recreation facility assets. Specific actions in 2007 will include completion of recreation facility master planning to prioritize facility assets; completion of a feasibility study on retention of recreation special use fees; continued implementation of the Federal Lands Recreation Enhancement Act; collaborating with private sector partners to create a web site on improved business practices, including use of grant resources and volunteerism; and completing a skills assessment to enhance business and financial skills.

In 2005 the recreation program PART assessment was conducted. As a result of this assessment we are taking actions to improve the recreation program performance, including updated performance measures connecting recreation program performance with achievement of the strategic goals; taking measures to improve visitor satisfaction and completing recreation business plans for each of the national forest and grasslands.

The President's budget reflects the efforts of Forest Service Research and Development (R&D) to improve research programs while also advancing deficit reduction goals. To do this, R&D is expanding collaborative and coalition building efforts, focusing funding on research with external partners, and aligning research projects along strategic program areas. R&D is hosting two "Outlook Workshops" on future forestry research with non-governmental organizations (NGO's), government partners, academia and industry to encourage a common research agenda for all sectors of forestry research. In January 2006, R&D participated in a summit for Deans from U.S. forestry programs to lay plans for a common research agenda. The Forest Service will also continue to support the larger research community through the Forest Inventory Analysis (FIA). The FIA is the Nation's only forest census, and it has been tracking the conditions of America's forests for roughly 75 years. The President's Budget funds the FIA program at a level that will allow the program to cover 93 percent of the nation's forests with an annual inventory.

R&D is also refocusing its research dollars, further increasing R&D's support of external and collaborative research efforts from 13 percent of the R&D budget to 20 percent over the next five years. Finally, R&D is reorganizing its research along strategic programs areas, so the agency can best produce the research that supports current priorities. Along these lines, the President's Budget allocates \$1.5 million to research on the value of ecosystem services; \$3.5 million to research on biomass markets and utilization; and includes funding for the reorganization of the Forest Products Lab, so the Lab can better focus on research that increases the utilization value of wood products, particularly in the areas of biomass, small diameter utilization, and energy and biofuels production from biomass. Through these efforts, the science produced by Research & Development will continue to be the foundation for effective Forest Service programs.

IMPROVING ORGANIZATIONAL AND FINANCIAL MANAGEMENT

In support of the President's Management Agenda, the fiscal year 2007 budget continues the Forest Service's efforts to improve organizational and financial management. The Forest Service's Business Operations Transformation Program is improving the overall efficiency of the Forest Service's administrative operations and increasing the agency's ability to redirect funds from indirect costs to mission delivery. The Albuquerque Service Center successfully opened this past year, bringing nearly 400 employees to a consolidated budget and finance center that will better serve the needs of Forest Service internal and external customers. During the next five years, the Business Operations Transformation Program is estimated to result in \$241 million in savings for the Forest Service.

The centralization of Forest Service budget and finance will also create greater transparency, accountability and efficiency in the agency's financial management. The Forest Service continues to improve its financial management, as evidenced by the agency's 4th consecutive unqualified ("clean") audit in 2005. Building upon these successes, the Forest Service will use improved financial information to drive results in key areas.

The President's Budget also continues support for the Forest Service Competitive Sourcing program, and focuses on proper and timely implementation of completed competitive sourcing studies and rigorous analysis of the studies' results and savings.

In fiscal year 2007 the Forest Service will continue its work in Budget and Performance Integration through implementation of its strategic plan, Performance Accountability System, and by making effective use of the Program Assessment Rating Tool (PART). The Forest Service Strategic Plan helps the agency and its field units develop programs of work that address natural resource needs while maximizing limited resources and improving performance accountability. The Strategic Plan will be revised in fiscal year 2006 to reflect the latest needs and resources of the agency.

Through the PAS, the Forest Service is integrating existing data sources so that timely, consistent and credible performance information will be available for project and program managers as well as external customers. In addition, PART efforts will ensure that the agency's activities are aligned with its strategic plan. Thus far the Forest Service has used PART to evaluate the following programs: Wildland Fire Management, Capital Improvement & Maintenance, Forest Legacy, Invasive Species, Land Acquisition, Recreation and Energy. These assessments have resulted in development of improved performance measures to better track accomplishments and increase accountability and better integration of strategic goals with program accomplishments. For the fiscal year 2008 budget process, the Forest Service will complete a PART analysis of mission-support activities and programs aimed at improving watershed quality, and will reassess Wildland Fire and Invasive Species. Results from the PART process have been, and will continue to be, used to improve program management and develop better performance measures.

CONCLUSION

The fiscal year 2007 Budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities. The fiscal year 2007 budget responds to the national need for deficit reduction while preparing the Forest Service for a new, more collaborative, era of natural resource management. With this budget the Forest Service will continue to identify and support more efficient and effective methods of pursuing its mission. This will be accomplished through increased collaboration, the use of new legislative authorities, expanded program efficiencies and improved organizational and financial management. Through these efforts the Forest Service will continue to sustain the health and productivity of the Nation's forests and grasslands.

Thank you for this opportunity to discuss the President's Budget. I look forward to working with you to implement our fiscal year 2007 program, and I'm happy to answer any questions that you may have.

Senator BURNS. Thank you, Chief. Now, Mr. Secretary, we welcome you to the table.

SUMMARY STATEMENT OF HON. MARK E. REY

REAUTHORIZATION OF SECURE RURAL SCHOOLS ACT

Mr. REY. Thank you, Mr. Chairman. I'm going to speak exclusively today about the administration's proposal to reauthorize the Secure Rural Schools and Self-Determination Act of 2000.

That legislation, as you know, was enacted by Congress in 2000 to provide counties guaranteed payments for their school and road systems to offset the dramatic decline in timber sale receipts that occurred during the 1990s.

What the administration is proposing, is a one-time 5-year reauthorization for the legislation. In reviewing the 2000 legislation and the progress that has been made to date in implementing it, the authors of the 2000 legislation essentially wanted to effectuate three transitions.

First was a transition to stabilize county school funding over the period of 6 years, so that the counties could diversify their economies and become less reliant on Federal timber receipts.

The second was to stabilize the timber sale program or give the Federal agencies a chance to stabilize the timber sale program and make the receipts a more certain proposition, as opposed the situation that existed as a consequence of appeals in litigation during the 1990s.

The third was to effectuate a transition where we improve the relationships between Federal land managing agencies and county governments, and Federal land managing agencies and local citizens.

In our judgment, looking at the progress that has been made over the 6 years of the original authorization, the second and third of those three transitions have been nearly complete.

With respect to timber sale receipts, they are now stable and increasing slightly and will continue to increase slightly. They are already at levels that were achieved in the early 1970s and they are dependable for the future.

Second, with respect to the operation of the resource advisory committees established under the 2000 legislation, there has been a dramatic improvement in the relationship between the Federal land managing agencies and local governments and local interest groups.

Those groups, through the efforts of the resource advisory committees, have indeed invested \$36 million per year each of the last 6 years in resource investments on the Federal lands. The result of those investments is to encourage volunteerism, particularly volunteerism among student groups in the management of the national forest and the Bureau of Land Management's lands involved. That's why, in our proposal to reauthorize the legislation, we would retain those resource advisory committees.

It's the first of those three transitions that involves the county budgets and dependence on Federal receipts which is not complete. Some counties have indeed diversified their economies and are less dependent today than they were 6 years ago on Federal timber receipts.

Others have clearly not, and it's because that transition is not complete and because the authorization for the legislation expires at the end of this year, thereby ending the guaranteed payments, that the administration has proposed a 5-year reauthorization of the legislation to try to extend and complete the first of those three transitions.

To fund that reauthorization, we propose a one time sale of Forest Service lands that have been identified using criteria in each of the individual national forest plans as being isolated, difficult, and expensive to manage, and no longer meeting National Forest System needs.

Lands fitting these categories in total amount to about 309,000 acres of land, involving some 2,900 parcels in 31 States. A complete list of all of those tracts went up on our website on February 10. On March 1, we provided a notice in the Federal Register opening a 30-day public comment period on that list of tracts so that the public could give us their views on the proposition generally and on individual tracts specifically.

Today we are sending up legislative language to effectuate the authority to convey those lands for your consideration as well as letters to both the President pro tem of the Senate and the Speaker of the House.

To reauthorize the secure rural school legislation, it is not necessary to sell all 309,000 acres of land to raise the needed funds. We think it will probably take somewhere between 150,000 to 175,000 acres of land, which gives us a lot of flexibility to work with the list and to work with the interested public to evaluate each tract on a case by case basis before we send the final list up to the Congress later this spring.

We offered this proposal understanding that land sales are a sensitive proposition and in doing so, we look back across the last 25 years of history at both land sales proposals that were enacted by Congress, such as the Southern Nevada Public Land Management Act of 1998, the Educational Land Grant Act of 2000, and our own proposal enacted by Congress—in fact, enacted by this committee last year to convey access for Forest Service administrative sites.

We also looked at a number of proposals that have been offered over the last two decades that have not met with Congress' support. What we discovered in evaluating both sets of proposals is that those that were successful and that were enacted by Congress seemed to share three characteristics. Those characteristics are thus: first, they had to be precise. There had to be an exclusive list of what was being discussed with very little tolerance for ambiguity about what was being considered and what might be sold or conveyed out of public ownership.

The second characteristic was transparency. There had to be an adequate opportunity for everybody who had a view, to offer that view, and express whether they thought it was a good idea in general or whether specific tracts that were being discussed should be

taken off the table. There was very little tolerance for slipping a proposal of this nature into a Senate House conference at the 11th hour.

Third, there had to be an agreed-upon public purpose; that the land sales would serve the proposition that the sales would fund general deficit reduction didn't and hasn't, over the last two and a half decades, garnered much support.

Our intent and our objective in proffering this proposal to Congress is to meet each of those three criteria. First, precision, by eventually offering you an exclusive list of everything that is being considered so there is not doubt, ambiguity, or uncertainty at what might be at stake or at issue.

Second, by giving the public an opportunity to testify by advancing this as part of the President's budget in the first place and making sure we have collected all of the commentary that we can about the proposition generally and about specific tracts individually.

Then third, given the broad bipartisan support for the initial enactment of the 2000 Secure Rural Schools bill and the similarly broad bipartisan support for its reauthorization, we believe we've met the standard of a broadly supported public purpose to use the funding generated by the land sales. We think it's important to look at our proposal in a larger context.

On the average, using the Land and Water Conservation Fund and other authorities, the Forest Service acquires between 100 and 115,000 acres a year—lands that are identified as meeting high ecological values and serving National Forest System needs.

We're probably going to continue, with the Congress's support, that rate of acquisition. That means in less than 2 year's time we would net out from an acreage standpoint the effects of this proposal to convey lands that don't meet national forest needs and aren't ecologically sensitive.

A decade ago when I entered public service, if we wrote testimony for you describing the National Forest System, we would describe it as 191 million acres of national forest managed for the Federal good. Today that testimony speaks of 193 million acres of national forest. So we've grown the system over 2 million acres in less than a decade's time.

So that's the context I think it's most fair to look at this in. We have a great deal of commentary over the month and a half that this proposal has been part of the public discourse. Indeed, in response to that commentary we've made some changes.

For instance, people told us as they reviewed the proposal, that even if we agree, for the sake of argument, that these lands no longer meet National Forest System needs, that's not the same as saying they no longer meet public needs. They may be meeting needs that the public enjoys, even if that's not something that's integral to the management of the National Forest System.

Indeed, we know that on some of these isolated tracts which have road frontage, we've given county governments a special use permit to put in picnic tables for a roadside turnout or a picnic area.

So what we've added to the proposal that we're sending to you today, is the proposition and a proviso that will offer these lands to State, county, and local governments, or land trusts acting on

their behalf at fair market value on a right of first refusal basis. So if there is a public service that they are performing, that public service can continue, albeit being provided by another, perhaps more appropriate unit of government.

Beyond that, we've heard a lot of rhetoric that this is a bad precedent—an unprecedented development and it's neither of those. Indeed today in this Congress so far, the Forest Service has testified on 24 separate bills that involve the conveyance of over 34,000 acres of Forest Service land into other ownerships and so, this is no more or less of a precedent than any of the other conveyance legislation that Congress has considered either in this Congress or in preceding Congresses over the last several decades.

I will say that proposals like this do sometimes generate unexpected results, and perhaps the most pleasing unexpected result that this one has generated is that we've heard over the last month and a half from groups who are on a weekly basis critical of the Forest Service's management. They are saying that but for the Forest Service's management, dire and catastrophic things would occur.

PREPARED STATEMENT

So, it's pleasing to know that when faced with a prospect of an alternative, some groups more fully support what the Forest Service does on a day-to-day basis. In this job, you take your compliments wherever you can find them and so I am registering that one for the record today.

With that, we'd be happy to answer any questions that you've got.

[The statement follows:]

PREPARED STATEMENT OF HON. MARK E. REY

OVERVIEW

Mr. Chairman, members of the Committee, thank you for the opportunity to discuss the President's fiscal year 2007 Budget for the Forest Service. I am pleased to join Dale Bosworth, Chief of the Forest Service, at this hearing today.

In my testimony, I will discuss two main issues. First, I will focus on the proposal in the President's Budget to continue funding for an amended Secure Rural Schools and Community Self-Determination Act. Second, I will discuss the increased funding for the Northwest Forest Plan that is requested in the fiscal year 2007 budget, which will promote improved forest health and more robust forest products economies in the Pacific Northwest.

CONTINUING TRANSITIONAL SUPPORT TO RURAL COMMUNITIES THROUGH THE SECURE RURAL SCHOOLS ACT

The Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106-393) was enacted to provide transitional assistance to rural counties that had been affected by the decline in revenue from timber harvests on Federal lands. These counties traditionally relied on a share of receipts from timber harvests to fund their school systems and roads. The funding provided by the Act has been used to provide over 4,400 rural schools with critical funding and has addressed severe maintenance backlogs for county roads. Resource Advisory Committees (RACs) established under the act have developed and proposed forest health improvement projects. A recent study by the Sierra Institute for Community and Environment, Assessment of the Secure Rural Schools and Community Self-Determination Act—Dr. Jonathan Kusel (January 2006), on the effectiveness of RACs under title II and community programs under title III of the Act was encouraging.

Each year the level of interaction between RACs, local governments, and citizens has increased, resulting in broader support and understanding of our mission. Addi-

tionally, funding for title III has also been used to complete community wildfire protection plans which are necessary to efficiently plan protection strategies for our rural communities.

The last payment authorized under the Act would be made in fiscal year 2007 based on timber and other receipt levels for fiscal year 2006. The Administration is committed to provide transitional assistance to counties and States covered under the Secure Rural Schools Act. The Department of Agriculture has worked hard to find the offsets needed to temporarily fund this assistance, while targeting and gradually phasing it out.

Our legislative proposal described in the President's fiscal year 2007 Budget for the Forest Service would provide a source of funding for payments under the Secure Rural Schools Act by authorizing the sale of certain National Forest System lands. These parcels meet criteria identified in existing Forest Land Management plans as potentially suitable for conveyance. Many of these lands are isolated from other contiguous National Forest System lands, and because of their location, size or configuration are not efficient to manage as a component of the National Forest System. Isolated tracts can be expensive to manage because of boundary management and encroachment resolution costs. The sale of these lands will not compromise the health or integrity of the National Forest System; instead, it will allow the agency to consolidate Federal ownership and reduce management costs.

The legislation would authorize to the Secretary of Agriculture to sell sufficient national forest land to fund an \$800 million account that would be used to make Secure Rural Schools Act payments over a five year period. Payments from the land sales fund will be adjusted downwards and eventually phased out. This adjustment recognizes that the Secure Rural Schools Act provided transitional assistance to rural communities adapting to a changing timber economy and a changing federal role in resource extraction.

Funds from the land sales account would be in addition to payments to the States from annual timber and other receipts on national forests and BLM lands. For administrative purposes, the Secretary of Agriculture would also make the supplemental payments from this account for Bureau of Land Management O&C lands. Payments will continue to be targeted to the most affected areas. Timber receipts are expected to rise over the next five years, which should further help in reducing the impact of the payment phase-out.

Since payments under the Secure Rural Schools Act began in 2001, the affected economies have made important strides in economic diversification and are now less dependent on federal timber receipts. In addition, the Forest Service has reestablished itself as a catalyst for economic development by conducting hazardous fuels treatments that can support a market in forest biomass. By selling isolated federal lands, we will further contribute to diversified rural government funding.

When the Federal lands are sold and become private property, they will be added to the county tax rolls, providing a sustainable funding source for local governments. All of these factors combine into a unified plan to promote robust local economies and reduce the dependence of county governments on direct federal assistance.

The Administration remains committed to acquiring environmentally sensitive lands and protecting them from development. This commitment is reflected in the President's request for a \$5 million increase in funding for the Forest Legacy program, which will protect an estimated 130,000 priority acres in fiscal year 2007 through the purchase of conservation easements or fee simple title. In addition, our land acquisition program and land exchange program has been adding about 100,000 acres per year to the National Forest System for the last several years. By selling lands that are inefficient to manage or are isolated with limited ecological values and purchasing critical, environmentally sensitive lands, the Forest Service will maintain the integrity of the National Forest System while funding payments under the Act in a fiscally responsible manner.

INCREASED FUNDING OF THE NORTHWEST FOREST PLAN

The 2007 Budget also reflects the President's commitment to sustainable forestry in the Pacific Northwest through increased funding for the 1994 Northwest Forest Plan. The Northwest Forest Plan affects the management and administration of 24.5 million acres of Federal land, of which 19.4 million are managed by the Forest Service within 19 national forests in western Oregon, western Washington, and northern California. The Northwest Forest Plan was designed to produce a predictable and sustainable level of timber sales while protecting the long-term health of forests, wildlife and waterways of the region. The Plan has succeeded in meeting its environmental goals. A 2004 Forest Service review of the first 10 years of the Northwest Forest Plan found that the net gain in older forests since 1994 was be-

tween 1.25 and 1.5 million acres, over twice the 600,000 acres expected during the first decade of the plan.

The 2004 review found that the Plan has not been successful at providing a predictable level of timber and non-timber resources. In order to recognize the needs of all parties affected by the Northwest Forest Plan, the President's budget increases funding for the Plan by \$66 million, with \$41 million for forest products, \$6 million for hazardous fuels treatment, and the remaining \$19 million for assorted ecosystem management programs. This level of funding allows the Forest Service to offer the Plan's goal of 800 million board feet of timber per year.

The economies of the Pacific Northwest have experienced marked change over the past 15–20 years. The region went from harvesting 4 billion board feet of timber in 1990 to 409 million board feet in 2000, and the forest economies of the region have suffered from the lack of a predictable timber supply. The goal of the Administration is not to return to the peak levels of timber production; instead, the fiscal year 2007 budget provides for a sustainable, predictable level of timber harvest that also protects forest health. The current forest products economy offers great opportunities for businesses able to use new technologies and tap into expanding markets for new products. With a predictable timber supply established, the Pacific Northwest will be better equipped to adapt and succeed in the changing forest products market.

One of the best examples of new opportunities in forest products is the rapidly expanding market for wood pellets as a fuel source. The demand for wood pellets for commercial and home heating has boomed as Americans face higher heating costs from traditional sources. Wood pellets suppliers have reported shortages from New Mexico to Rhode Island. Pellet producers, such as Forest Energy Corporation in Show Low, Arizona, are running their processing mills 24 hours a day and seven days a week to try and meet demand. In making the wood pellets, Forest Energy Corporation uses the small-diameter wood produced from hazardous fuels treatments in Arizona's national forests. Expanded funding for the Northwest Forest Plan will create similar win/win situations in which both sustainable harvested timber and the byproducts from hazardous fuels treatments are used to meet the growing demand for forest products.

In addition to meeting the Northwest Forest Plan's timber targets, the Forest Service will improve over 3,900 acres of terrestrial wildlife habitat and 120 miles of fisheries habitat in fiscal year 2007. The Forest Service has developed a comprehensive strategy for aquatic restoration within the Northwest Plan area to restore priority watersheds.

The President's Budget also enables the Forest Service to continue to emphasize the treatment of hazardous fuels in the wildland-urban interface and address the reforestation needs of recent large forest fires. With the expanded NWFP funding, the agency will continue to emphasize partnerships and integrated projects to protect municipal watersheds, recover habitat for endangered and sensitive species, and control the spread of invasive species.

The 2007 President's Budget provides \$610 million to continue implementation of the Healthy Forests Initiative, to reduce hazardous fuels and restore forest health. The budget proposal, more than a \$12 million increase over 2006, takes an integrated approach to reducing hazardous fuels and restoring forest and rangeland health. Along with \$301 million to the Department of Interior (DOI), the fiscal year 2007 budget provides a total of \$913 million to implement the Healthy Forests Initiative and the Healthy Forests Restoration Act.

Through the continuation of the Secure Rural Schools Act and through expanded funding of the Northwest Forest Plan, the President's Budget promotes sustainable rural communities and the expansion of a forest products economy that is compatible with improved forest health. These efforts, in combination with the President's continued support of the Healthy Forests Initiative, highlight the Forest Service's commitment to managing the Nation's forests and grasslands with greater innovation and renewed efficiency. I look forward to working with Congress to enact the President's fiscal year 2007 budget. At this time I would be pleased to answer any questions.

NEW GRAZING PROPOSAL

Senator BURNS. Senator Dorgan is on kind of a short time line and for another hearing. So we'll allow that he can lead off the questions here this morning, so that he has other things.

Senator DORGAN. Mr. Chairman, thank you very much. Chief Bosworth first off, you'll recall last year that you all had issued

some new rules with respect to leasing land, or shared cattle and whether under those circumstances people would qualify for grazing permits. I held a subcommittee hearing in Bismarck on August 30 of last year and we had the room filled with people pretty upset about things.

We had your folks testify and the folks from your regional office, one of the things I discovered is that they learned about these new proposals at the same time that I learned about them. There was no consultation with the local folks. It appeared to me to be a pretty significant problem of communication. Have you reviewed that circumstance?

Now you withdrew the proposals and should have, but what concerned me mostly about that, was that it appeared to me somebody in Washington just said here's our new approach and sent them out and caught everybody by surprise, even your local and your regional folks. Can you describe what happened there?

Mr. BOSWORTH. Yes. I have looked into that and as you've said, we withdrew the handbook. We have a process where we can issue interim directives and then receive comment at the same time. It's a good system. It works fairly well.

I think this was an inappropriate use of that system. I think we should have gone out and talked to people before we issued the interim directive and found out what people thought. Then we could issue a directive with whatever changes need to be made, as opposed to just issuing the interim directive.

Senator DORGAN. I appreciate hearing that you also feel that was a problem and has been corrected because that shouldn't happen. You shouldn't catch your own people by surprise out there. So I appreciate the response.

THEODORE ROOSEVELT/EBERT RANCH

Mr. Rey, you were in North Dakota recently. You have requested opportunities in funding to purchase the Theodore Roosevelt original ranch site in the Badlands and we have agreed I think, on a number of provisions with respect to that.

I would like for us to exchange those letters and put them in this hearing record as well. I believe we're all set in terms of how we do that for a no net gain of Federal lands.

Mr. REY. That is correct.

[The letters follow:]

U.S. SENATE,
Washington, DC, February 9, 2006.

Hon. MARK REY,
Undersecretary for Natural Resources, U.S. Department of Agriculture, Washington, DC.

DEAR MR. REY: As per our recent conversation, this letter will serve as a record of my position on the Department's request to reprogram \$1.45 million towards the purchase of the Ebert Ranch property in Billings County, North Dakota. I support the preservation of this important piece of history, which includes the viewshed of President Theodore Roosevelt's former ranch on the North Dakota Badlands. However, I am only willing to lend my support to this reprogramming and to future funding for the acquisition if the Department agrees to certain conditions that will help resolve local concerns.

First, I expect the Department to submit a legislative proposal for the necessary land conveyance that reflects that the purchase of the Ebert Ranch property will not be completed until all of the other 5,150 acres of the Dakota Prairie Grasslands the agency proposes to sell are actually sold. This will ensure that there will be no

net increase in Federal lands in the state, and there will not be a diminished property tax base for local government. I also expect the Forest Service to take steps between now and the time the fiscal year 2007 Interior Appropriations bill is passed to make sure that these sales move forward in a timely manner once the bill is signed into law.

Second, the conditions under which the property is acquired must not interfere with the other multiple uses that currently exist for that property. Grazing, oil and gas development, recreation and other multiple uses must all be preserved. In particular, the Department should commit to transferring all grazing allotments affiliated with the Ebert Ranch property to the Medora Grazing Association in order to ensure that these acres stay in production.

Moreover, the Forest Service must also demonstrate that it wants to work with local stakeholders to resolve other grasslands management issues by agreeing to codify specific policy changes. The agency's July 2005 attempt to make policy changes to its grazing handbook and manual without appropriate public involvement severely undermined public trust. The changes included the elimination of leasing base property and shared livestock by grazing permittees, which would be disastrous for many ranchers in North Dakota. To ensure that these policies are not reissued, I intend to amend your sale authority with legislative language that protects North Dakotans from any future restrictions for grazing permittees on the leasing of base property or shared livestock. I ask that you affirm your commitment that the Administration will support my efforts to add these provisions, which I would make specific to North Dakota.

I also expect the Service to work directly with grazing associations and other interests to develop a mutually acceptable plan to implement the grazing Record of Decision for the Dakota Prairie Grasslands Management Plan. This includes negotiating a reasonable compromise with grazing associations and other interested parties on the proposed Allotment Management Plan pilot demonstration project.

Finally, virtually every other scenario that was explored for the Federal Government to acquire the Ebert Ranch property would have required Governor John Hoeven to approve the transaction. You have chosen to structure this acquisition so that the land can be acquired by the Department without his approval. However, I still believe that the best interests of the State of North Dakota are served by ensuring that he supports the Federal Government's efforts to purchase and conserve this property. Therefore, I ask that the Department obtain Governor Hoeven's support, in writing, for the acquisition of this property prior to the reprogramming of any funds.

You have previously indicated to me that the Department is willing to meet these conditions and ensure my support for this acquisition. I request that your respond to this letter reaffirming that commitment. I look forward to working together to resolve issues of mutual concern and protect this historic property.

Sincerely,

BYRON L. DORGAN,
U.S. Senator.

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, March 3, 2006.

Hon. BYRON L. DORGAN,
U.S. Senate, Washington, DC.

DEAR SENATOR DORGAN: This is in response to the February 9, 2006, letter outlining your position on the Department's request to reprogram \$1.45 million towards the purchase of the Ebert Ranch property in Billings County, North Dakota. I appreciate your support for the acquisition of this important historical property. In addition, we will continue to seek the necessary approval for reprogramming with the House Appropriations Committee. Your support for the reprogramming is provided only if the Department could assist in the resolution of several local concerns. The Department's response to these conditions is as follows:

We recognize the need to dispose of a like number of acres of the Dakota Prairie Grasslands (DPG) in order to insure there is a no net increase in Federal lands in the state upon completion of the proposed acquisition. The Department is prepared to submit a legislative proposal providing the Secretary of Agriculture the authority needed to convey the necessary acreage through land sales at market value. Every effort will be made to insure these lands are offered for sale in a timely manner once this authority is provided. Preparatory work to that end is already underway.

When acquired, we will manage the property as a component of the DPG in accordance with the Forest Plan direction which provides for a full complement of multiple use resource activities. Grazing allotments associated with the Ebert Ranch would continue to be grazed through existing arrangements with the grazing Association.

We will provide legislative language to continue the grazing permittee practice of leasing base property and shared livestock specific to the state of North Dakota without timeframe restrictions.

We have and will continue to work with the appropriate grazing associations in the development of the demonstration project for allotment management planning on the DPG. The objective of the project is to provide a long term sustainable multiple use management through sound and practical management of grassland ecosystems for the multiple benefits of local communities and the public.

Finally, it is true that the current structure of the Ebert Ranch acquisition would not require the Governor to approve the transaction. However, we will continue to work with the Governor to assure his support for the acquisition.

I look forward to working with you and other appropriate Congressional members to both resolve the issues of mutual concern on the Grasslands, and acquire this historic property.

Sincerely,

MARK REY,

Under Secretary, Natural Resources and Environment.

NATIONAL RECREATION RESERVATION SYSTEM

Senator DORGAN. Let me also ask Chief Bosworth about this issue ricocheting around which you're very well familiar with, the contracting for the National Recreation Reservation System, a \$100 million contract.

Now I'm just an observer of this, but my understanding is the GAO has twice evaluated this and indicated that they felt the contract was improperly awarded. Yet, I think the Forest Service, from what I understand, has intended or decided to go forward with the procurement of this anyway.

Is that the case? Do I have the facts right?

Mr. REY. Essentially, that's correct. GAO issues opinions in response to contract disputes. Under the law, those opinions are advisory.

With respect to GAO's first opinion, we agreed there were some flaws in the contract administration which is why we reoffered it.

In response to their second GAO opinion, we think they mis-analyzed the record as it existed at the time. It is within our authority to proceed and the unsuccessful contract bidder can now, if they choose, decide that they want to pursue this further action through the Court of Claims.

So far, they've filed a protective notice, but there are discussions ongoing. I don't know where that will head.

Senator DORGAN. Is it quite unusual for an agency, despite the advice of the GAO or the evaluation of the GAO, to proceed anyway? You worked in the Senate I believe, and you understand that we rely to a substantial degree on the GAO.

The GAO is our investigative arm. They have investigated this twice and both times come up saying you're short and this shouldn't proceed. Yet, you're proceeding anyway. Have you done that, and can you cite other areas where you've proceeded against the advice of the GAO?

Mr. REY. There have been no other areas I know of where the Forest Service has, but it's not uncommon in the case of other agencies. We'd be happy to sit down with you and go through these

specifics of this. There are some countervailing reasons why we did not want to offer the contract a third time.

Had we offered the contract a third time, the prevailing bidder the first two rounds made it quite clear that they would appeal that result. So we wouldn't have been before GAO a third time under that circumstance.

So this is a case where the two companies involved are quite determined to exercise all of their remedies and options. Eventually, we have to get beyond that and offer a contract, so we can offer recreation reservations to the public.

So one of the strong considerations, was the virtual certainty that we would have been before GAO a third time anyway. But I think if we can have the opportunity to give you a briefing in greater detail, you will see some circumstances that also mitigated in favor of moving forward.

NOXIOUS WEEDS

Senator DORGAN. Let me finally, Mr. Chairman, thank you for your indulgence. Let me say that I want to submit some questions for the record including questions about leafy spurge—to the extent there is some improvement, good for you.

Our ranchers—and I'm sure in Montana and Colorado feel the same way—our ranchers want the Federal Government to be a good neighbor and a good neighbor means taking care of your weeds. So, I want to submit some questions and those questions will include among other things, the leafy spurge issues.

Now I ask that you respond to the written questions. Thank you very much for being here.

Senator BURNS. Thank you, Senator. You know you can go to a lot of fancy things in this town and if somebody asked you what you're working on and you say weeds, you'll find out how quick you're standing there by yourself, because nobody understands this battle we have with noxious weeds and invasive species in our country. That is something, we found out how to control them. We have a lady in Big Timber, Montana that can solve your problem for you if you have a really big problem. But now getting those folks at the table to act and to sign off on that is another story. But it offers no chemicals. It's as natural as day following night and it's grazing. Pure and simple, it's grazing. That's what controls weeds—sheep eat weeds and they take those numbers down.

GRAZING PERMIT BACKLOG

While we're talking about that, we've got a real problem in the backlog of expiring grazing permits that need to be renewed. Yet, you cut that back this time. Congress put a schedule in place for renewal—the permits of the 1995 Rescission Act. So your budget justifications says you're only getting done 50 percent of the work that you need to do each year to comply with that schedule and the schedule requires those allotments to be done by 2010. That doesn't seem very far off right now, as we sit here and talk about it.

Now you've reduced the program by \$8.5 million and the number of grazing allotments processed declined by 34 percent, from 484 allotments this year to 321 next year. Now why is it a good idea when we still have 3,200 permits that need to be processed?

It makes no sense to me and my question is, how many allotment decisions have been made using the categorical exclusion? I would say, you know we get to feeling kind of like—and I know most of you hunt birds and you take bird dogs and everything like that, you know—we're feeling kind of like that bird dog up here, that we find the bird, we flush the bird, and the shooter never hits it. We don't get anything to retrieve and pretty soon, after four or five times of that, we get kind of tired of hunting for you and fighting for you out there to give you the tools to complete your work.

So there was a cap, I think around 900 in that particular piece of language on categorical exclusions. So I would ask you, how many allotment decisions have you made using this authority so far. How many have you used?

Mr. BOSWORTH. Let me just take a second to give you a little bit of background. We got the authority, which very helpful to use the categorical exclusions about a year and a half ago. Then of course, it took us a little bit of time, not too much, to get the directives out.

Then we got into an issue called the Earth Island Institute lawsuit on categorical exclusions. That held us off until about last fall and we moved forward with using categorical exclusions. I think we've completed 44 allotments at this point using the categorical exclusions. We expected to do another 100 this year and it's going to continue to be a tool that will work.

We exceeded our targets in terms of range allotments that were completed in 2005. I believe we'll meet or exceed our targets this year. I would expect and hope that we would be able to exceed the number that is shown for the budget justification for fiscal year 2007. We'll be very close to meeting our expected number of allotments that use categorical exclusions and have them completed by the timeframe.

So we're still committed to achieving that objective and that target.

Senator BURNS. You've cut back your resource here; what effect will that have?

Mr. BOSWORTH. Obviously when we have less dollars, we do less work. Having said that, though, I think I mentioned a couple of things in my opening comments about some improved efficiencies that we'll get more of the dollars to the ground by reducing our indirect costs by centralizing our business processes. Some of those things will save us a considerable amount of money over the next few years and what we're after is getting more of the dollars out on the ground getting the work done.

So I believe that that is one of the ways we'll be able to achieve and exceed some of these targets.

GRAZING AND NOXIOUS WEEDS

Senator BURNS. This is the dilemma we find ourselves in, in this respect, then it is a concern that Senator Dorgan had about leafy spurge. We've got both spurge and nap. Some private forest and private lands are paying this person that has got a lot of sheep. They are paying them a buck a head a month to graze it off when the livestock people use to pay for the permits to use that resource of grazing.

Now it seems to me that we could solve two problems here. By accelerating these grazing permits and deal with our invasive and weeds and get it done. These are dollars that—they're not very many dollars involved, but it has more impact on the health of the forest and our range lands than anything we could do.

It's just out there and very simple. Why we can't get that done, is absolutely beyond me. I know why we're not getting it done, because we just don't have a lot of folks that go down deep in the Forest Service that really believe this to happen. They may have to do some work. They may have to stake out some boundaries.

GRAZING PERMITS

But I really believe that this business of denying those grazing permits, actually denies us a most essential tool to the health of the land and the forests. I really believe that, because I can show you maps, that when we have grazing in forest land, we had less fires.

Mr. BOSWORTH. Mr. Chairman, I'd like to respond to that because there are no situations where a permit has expired that we haven't reissued the permit. The issue here is getting all of our grazing allotments reissued under NEPA. In the meantime, we're still grazing. We have used contracts for sheep and goats in places in the past, to work specifically on things like leafy spurge, because that is effective.

With cattle, it's not. It doesn't do the same thing. From time to time, we pay people to graze on the national forest to actually reduce the amount of leafy spurge.

We're also using the biological controls like a flea beetle to help with both leafy spurge as well as spot knapweed.

Senator BURNS. Most of that was developed over at Sidney, Montana.

Mr. BOSWORTH. Some of it was and it works fairly well in many places. We're not reducing any grazing based upon the schedule that we had for reissuing these allotments.

The issue would be that if we don't complete it by the end of the timeframe, we start having problems then. I think that is 2010. We expect to meet that date. We expect to have all of these reissued by that time. In the meantime, if one ends, then we will reissue it anyway. We have that authority that we were given by Congress.

Senator BURNS. Okay. I just need some dedication and I'd like to see some folks down there doing those things. I don't want their shirt tale to hit their backside. I want them to get after it.

Mr. BOSWORTH. I would like to add that our folks in the field are committed to getting this done. There is no lack of desire on their part and they are out on the ground, trying to get the job done.

SECURE RURAL SCHOOLS LAND SALES PROPOSAL

Senator BURNS. Let's talk about the sales of these acres. Now I'll tell you what the attitude of the folks in Montana are taking, that you're going to sell about 13,948 acres eligible for the sale in Montana, when 75 percent of the receipts go to schools in California, Oregon, and Washington.

I'm not going to sell my ranch and then send the money over there. How do I justify that when I'm driving down the road next week?

Mr. REY. Well, the 2000 legislation was a piece of national legislation and in establishing the guaranteed payment, it mirrored what were the historic timber sale receipts in different States.

Our proposal to reauthorize it is a national piece of legislation, although we did include in response to commentary from a number of members, a requirement that we maximize regional equity to the extent possible. I do think that when we get into the reauthorization of the Secure Rural Schools legislation, one of the things we would like to work with the committees of jurisdiction on is the question of whether the 2000 formula is still the right distribution of funds.

Today, as I said in my testimony, some counties have made the transition better than others and it may be that we should be readjusting the formula to reflect that. I dare say, there are some counties in States that get the majority share of the money under the 2000 legislation that have done a pretty good job of making that transition. There are also counties and States that got a lesser share in 2000—based upon the historic receipts level—that haven't made the transition.

Senator BURNS. Well I agree with that, but I find a hard time coming up with an answer when you're doing things like this.

Senator Allard, welcome to the committee this morning.

Senator ALLARD. Thank you, Mr. Chairman. It's a pleasure to be here, as always. I have a prepared statement and I wonder if I might make that?

Senator BURNS. Without objection, it shall be made a part of the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR WAYNE ALLARD

Thank you, Chairman Burns, for holding this important hearing. Colorado's abundance of forests make this a very significant hearing to me.

Undersecretary Rey and Chief Bosworth, I thank you for your appearance before the subcommittee today, it is good to see both of you again. The role the Forest Service plays in managing our public lands is of particular interest to the people of Colorado.

I hope the committee will indulge me as I am about to brag about my home state for a moment. I think that I am one of the luckiest people in Washington, DC. Not only do I get to serve the people of Colorado, but I am fortunate enough to have incredibly beautiful and unique lands in my home state. Colorado is home to 13 National Forests. This is more than almost any other state. These forests provide countless scenic vistas, unequalled hunting, fishing, and camping opportunities, and the nation's most popular skiing. In fact not only does the nation's most visited ski resort lie in Colorado, but 3 of the top 5 most visited ski areas call Colorado home.

But the importance of Colorado's forests goes far beyond recreational opportunities. Our National Forests are a cornerstone of Colorado's economy. Hunting and fishing alone contribute over one billion dollars to Colorado's economy every year, with much of this money going to rural communities.

This and other forest related industries pump billions of dollars into Colorado's economy and employ one of the states largest segments of the workforce.

But perhaps the most important thing is that Colorado's forests also contain 4 major watersheds, the Arkansas, Upper Colorado, Rio Grande and Missouri (or South Platte), that supply water to 19 western states. Colorado can truly be called the Headwaters State. With the obvious exception of Hawaii it is the only state where all of the rivers flow out of the state's borders.

Now I have to turn to the bad news. Areas of the state continue to suffer from drought conditions, and the potential for catastrophic fires is very high again this year. To compound this problem Colorado currently has 1.5 million acres that are suffering from the effects of beetle kill.

Timber sales are thought by many resource managers to be the single most effective tool available to the Forest Service to mitigate against—or treat during—episodes like bark beetle epidemics. But the Forest Service doesn't seem to be getting enough money to the national forests in Colorado to combat the problem. We've got a sawmill in Montrose that's running at half capacity and another one just across the State line in Saratoga, Wyoming, that's closed because they don't have enough timber.

That said, I support the proposed increase in the forest products line item and applaud the emphasis on forest plan implementation. I will have a question regarding this matter when we get to that portion of this hearing.

Thank you again, Mr. Chairman

NORTHWEST FOREST PLAN

Senator ALLARD. I have a question regarding the President's budget. There's a \$30 million increase in forest products line item and the entire \$30 million increase plus an additional \$11 million of forest products funding would go to the Pacific Northwest as increased funding for the Northwest Forest Plan.

My question is this: Will the increased funding for the Northwest Forest Plan be at the expense of dealing with the bark beetle problem in Colorado, or is there room in this proposed budget to get more timber sale money to the national forests in Colorado to address the bark beetle problem?

I'm sure you're aware that we have a very serious problem in Colorado with bark beetle and we're losing our entire forests in some cases. I'm wondering if you would respond to that?

Mr. REY. Sure. I'll start and the Chief can add anything he wants to. The 2007 budget proposal suggests slight increases for both the forest management account, timber sale account, and the hazardous fuels account in all Forest Service regions.

By far, the largest increase is in the Pacific Northwest to fully fund the Northwest Forest Plan and we think that's justified. Over the last 10 years, by far the sharpest decrease in timber sales levels has been in the Pacific Northwest. The Northwest Forest Plan was itself an 80 percent reduction of what were historic levels there. So simply meeting the Northwest Forest Plan means we're only going to hit about 20 percent of what the historic level was.

That increase that we're proposing in 2007 will not come at the expense of any other region. We are proposing for the implementation of the Healthy Forests Initiative and the Healthy Forests Restoration Act yet another record request—that being the third in a row—for a total funding for those purposes.

If Congress looks favorably on that request and if the Federal land managing agencies—Forest Service and the Department of the Interior—meet the targets that we've agreed to in fiscal year 2006 using money you've already given us, as well as using the money that we requested in fiscal year 2007, by the end of 2007 we will have treated Federal acreage equivalent to the land mass of the State of Ohio.

BARK BEETLES

Senator ALLARD. Well I'm wondering if perhaps, maybe you won't be available—you and Mr. Bosworth both wouldn't be available—

to come by my office. I would like to visit with you a little bit about our bark beetle problem in Colorado, if you would. I also have a letter I would like to give to you and to Mr. Bosworth when we leave for the vote, if that's okay.

[NOTE.—Senator Allard asked Chief Bosworth for a meeting about the bark beetle problem in Colorado. Forest Service representatives met with members of Senator Allard's staff on March 30, 2006, and discussed the problem.]

HAZARDOUS FUELS

Senator ALLARD. Mr. Rey, also I have a question in regard to the \$11 million increase in hazardous fuels funding in the budget. I strongly support spending money pro-actively in hazardous fuel projects. It will help reduce the risk of forest fires also, and the associated risk to watersheds, communities, and residents when we get the fires.

I understand some acres treated aren't the highest priority acres. From your reviews of the hazardous fuel program, is there room to improve what is being done on the ground, and how are you working towards that objective?

Mr. REY. There's always room for improvement. But substantial improvement has already occurred. What drives the priority selection for acres today are primarily two things.

One, the development of the community-based fire plans that several hundred communities in the West have developed to identify the acres that create the greatest risk to the well-being of those communities. That was a planning system that was incorporated in the Healthy Forests Restoration Act and has been widely embraced by communities throughout the country. So to the extent that acres are identified in those plans, they come to the top of the list.

Second, we are developing some fire behavior and spread models that are now beginning to determine the patterns of treatments we use, so that we have the greatest potential to control wildfire spread, treating the most effective number or the most cost effective number of acres in a particular watershed or airshed possible.

Senator ALLARD. Well, I just wonder how successful the Forest Service has been at integrating these multiple budget line items. For example, the hazardous fuel, the forest health, and timber sales funding, and to individual projects in getting more bang for your buck.

Mr. REY. I think we've been pretty successful in doing that. The proof in the pudding will be in this fire season and in subsequent fire seasons as we are able to demonstrate to you in a real time, on-the-ground basis, that wildfires that ignite were brought under control, as a consequence of burning into areas that were treated. Already this spring, a fire called the February fire—actually this winter, since February is part of winter—the February fire, as it was named in Arizona, was controlled because it burned into some treated areas that were treated as a consequence of the Healthy Forests Initiative.

RECREATION FUNDING

Senator ALLARD. When I look at what's happening in the various regions and whatnot, I have a concern about Forest Service Region

2 where Colorado is located. It's my understanding—and correct me if I'm wrong—that the national forests have more visitors there than in any other region.

Fully about 32.5 million people visited there last year, for example. Now that's a good thing because obviously, we want people to enjoy our forests and the great resources that are in Region 2. While we look at that figure, it's confusing that it doesn't receive the highest recreation funding. In fact, it gets less funding per visitor than any other region. I wonder if you can explain why this is the case in Region 2?

Mr. BOSWORTH. The way we allocate the recreation dollars varies depending upon the kind of recreation that would be occurring on the national forest. For example, if you count skier days the same way you would count, say a campground, there would be a difference in terms of the cost of accomplishing that, or administering a wilderness area, from the recreational standpoint. When it's a small wilderness close to a high population area, that is much more expensive to do than, say, a very large wilderness area that is a long ways away from a population area. So what we do is we look at the different kinds of recreation that occurs and the cost of doing that and we allocate those dollars to the regions based upon that approach. I'd be happy to sit down with you or your staff and have some folks go over the process that we use for that allocation. We're always continuing to make adjustments to try to make sure that we get the dollars to high priority areas.

Senator ALLARD. I would very much like to have that. I'll take you up on that after with my staff, because I really would like to see how that is working so I can have a better understanding of it.

[NOTE.—Senator Allard accepted Chief Bosworth's offer to have a meeting concerning the recreation funding allocation process. Forest Service representatives met with members of Senator Allard's staff on March 30, 2006, and discussed the issue.]

Mr. REY. I would just say in very simple terms, overnight use costs more to manage than day use and a lot of the Region 2 use is day use off the Rocky Mountain front by people coming from Colorado or from the Denver metropolitan area and coming into the forest for a day either to picnic, hike, ski, or to do other day-use things and then going back home that night.

Senator ALLARD. Mr. Chairman, I'm not familiar with how much time you're giving us.

Senator BURNS. You're done.

Senator ALLARD. I had a feeling that perhaps maybe my time was expiring so I'll quit cooking.

Senator BURNS. I'll tell you one thing, when the chairman of the full committee comes in, we're all done.

Senator ALLARD. You've got a good point.

Thank you, Mr. Chairman. I do have other questions, I would just like to submit them in writing.

Senator BURNS. For the information of our members here, we have I think, three stacked votes which we're going to have—everybody is trying to get out of here tonight—so we're going to have a lot of votes, and so our hearing may be shortened a little bit by this.

So Senator Cochran, we welcome you to the subcommittee this morning.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Thank you very much, Mr. Chairman. I appreciate the opportunity to join you and other members of this subcommittee in welcoming Secretary Rey and Chief Bosworth to this hearing, reviewing the budget request for the management of our forest resources and the other activities and challenges that face the Department.

I'm very pleased to also commend you for your timely and energetic devotion to duty in the aftermath of Hurricanes Rita and Katrina, which struck the gulf coast region of our country and did such a tremendous amount of damage to forest resources, both on private lands as well as public lands and the effort you're making to help recover, and rebuild, and restore health to the forest in this region. I deeply appreciate it and it's going to be a continuing effort and we'll try to provide the resources we have available to us through the appropriations process to ensure that you have what you need to do the job.

Other than that, we know we're confronted with some wildfire challenges because of debris and difficulties that stem from these disasters. We recognize that we have an obligation to try to make available additional funds for that purpose, too.

PREPARED STATEMENT

I don't have any other questions. I know our time is limited because of this series of votes that's occurring. I appreciate the chairman giving me an opportunity to come in and welcome you and I would ask that the rest of my statement be printed in the record.

Senator BURNS. Without objection, it will be. Does that include all the scribbles, too?

Senator COCHRAN. Just like I wrote it, that's good.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman I am pleased to join you in welcoming Secretary Mark Rey and Chief Dale Bosworth to the committee this morning. We appreciate very much for their hard work over the past five years to ensure that our National Forest system is maintained in a manner that allows for the appropriate use of our nation's forest resources and protects the health of our forests.

I also want to commend you and your staff for the effort you have made throughout the Gulf Coast region following the Hurricanes Katrina and Rita to clear debris and establish emergency staging areas for the delivering of assistance in the form of shelter, food, and water to thousands of Gulf Coast residents who lost their homes. In recent years the Forest Service has had to deal with natural disasters throughout the nation, especially in regions that had large wildfires. This experience in emergency preparedness and assistance was evident with the quick and effective response of the forest service on the Gulf Coast.

The hurricane Katrina also caused widespread damage to private as well as federal timber lands in Mississippi, Louisiana, and Alabama. Current estimates put the value of timber lost at over \$1 billion. Much of this timber was located on private lands and these landowners have suffered a significant financial loss. The Forest Service and private landowners should work in a collaborative manner to ensure reforestation and restoration so this industry will be able to contribute throughout the South as one of our most important economic assets.

In recent weeks we have seen a significant outbreak in forest wildfires due to the drought and the large fuel load that remains on the ground. I encourage the Forest

Service to allocate the needed resources to help combat these fire outbreaks. Many of these forest lands are located next homes and schools in rural communities. These communities will need your help because much of their emergency response and firefighting equipment was destroyed by the Hurricanes.

Another issue important to the Southeastern region of the United States is the research and treatment of insects and disease within our forests. In Mississippi, over 69 percent of the forestland is privately owned, and much of this land borders public forestlands. It is very important for the Forest Service continue the research and development of new management and treatment methods to better protect federal lands.

Mr. Chairman, thank you very much for holding this hearing.

Senator BURNS. We will start voting here at around 10:30 and there are four stacked votes and so, it would be very tough for us. Everybody said they're are going to be a 10- and 15-minute vote, but don't count on that.

FOREST PLANNING

But in the area, Chief, you know you joined us in Missoula, Montana at a very constructive hearing about forest planning and this type thing. As you know, we've got five forest plans covering 11 million acres in Montana, and that's being revised now. We received a lot of comments on that. Most of it during the hearing was concerned about public access and motorized use being further limited in our forest in Montana. Especially, in other words, consolidating and bringing down in concentrated areas which I think basically, does more damage to our forests, and the riparian areas, and the other erosion issues, than it does when we spread it out across the whole forest.

Can you bring me up to date on the progress of those forest plans out there, right now? We were suppose to be updated late last fall and then we moved that back in the February area, and we haven't heard a lot from out there and gotten any kind of report.

Can you give us a progress report on where we are and how we're progressing? It has to do with maintenance cuts, and Montana road closures, in our national forests, all of these issues come down to the forest planning idea.

Mr. BOSWORTH. Well we're continuing work on the forest plans in Montana, as we discussed once before. The Beaverhead-Deerlodge National Forest is proceeding using our old planning rule. We have three forests in western Montana—the Flathead, the Lolo, and the Bitterroot—that are using the new planning rule that we just completed.

We expect those three forests to be coming out with their proposal here in the next few months. They are working very closely with the public. In fact, one of the things that I think the new planning rule does, is it enhances the ability of the public to work together with the Forest Service in developing the forest plans.

TRAVEL MANAGEMENT

I would like to say a little bit about the off-highway vehicle use, because that's important to the people in Montana. We are implementing our new off-highway vehicle rule, and that requires that people remain on designated roads and trails or areas that have been designated. So in a collaborative way, we're working with the

public to designate which of those roads and trails and I think that is working fairly well.

It's always difficult to agree on any individual trail. Our purpose is to provide better access and sustainable access to the national forest. We don't want to end up with so much damage that the next generation of people can't be out there on the forest and enjoy it. We want to have a way that people can get out on these trails and on trails that have been designed for motorized vehicle use and get to the country that they want to get to.

Most of the people, including organizations like the Blue Ribbon Coalition, support the notion that we have in our rule that would require designation of individual roads and trails or areas. We'll complete that designation in about 3.5 years.

Senator BURNS. That's a good idea, but then you know we've got to have the confidence that once we make the decisions on those areas that we don't close roads. Now, I'm getting complaints now from the State of Montana.

Now there are certain times of the year when you close a road for a specific purpose and for a specific time. I'm getting complaints that they never open the road again. They just don't do it. So, I think we've got to work our way through some of those problems and then when we look at our maintenance, as far as the roads are concerned, that the ones that we're going to use we've got to cut back there and we want to try to maintain as safe a trail and a road as we possibly can for that specific traffic.

So that's the things we're running into. When I talk to people who use the forest lands for snowmobiling, and hiking, and biking, and all of that kind of recreation.

Mr. BOSWORTH. I would like to follow up a little bit on these roads where a gate's been closed and not reopened when it's a seasonal closure, because maybe I could work with your staff and find more specifically where that might be occurring. It's certainly our intention, that when we have a seasonal closure that's supposed to be closed on a certain day then opened on a following date that that is what we do.

Now, from time to time, I'm sure that there's a situation where our folks haven't gotten out there on that day—a week late or something like that, but I don't want to see places where we're not opening those gates.

Senator BURNS. We know there could be extenuating circumstances. Mother Nature's a little fickle every now and again too, you know. We have to make a judgement call sometimes. But those complaints, we hear about that a lot.

Mr. BOSWORTH. I'll be happy to get some more specifics on that. Because again as I say, it is our intention that we open those on the days that we say we'll open them.

[NOTE.—Chief Bosworth agreed to discuss the issue of road closures with Senator Burns. Forest Service legislative affairs personnel have contacted Senator Burns' office to set up the meeting and are awaiting a date to discuss the issue.]

EARTH ISLAND INSTITUTE LAWSUIT

Senator BURNS. The Earth Island thing on categorical exclusions, I see in your budget justification that this case delayed or cancelled

723 fuel reduction projects, affecting over a million acres. Bring us up to date on the status of the litigation, and are you planning to appeal it if we get—

Mr. REY. The litigation is under appeal now. The District Court decision is under appeal before the 9th Circuit. Given the average turnaround time for a 9th Circuit decision, I'm not optimistic that we'll get any kind of a response during this upcoming operating season.

Senator BURNS. Is there anything you can do in light of that appeal? Can you do some things that would facilitate moving some of those projects forward?

Mr. REY. We will move some of those projects forward, but those that garner objections will be delayed by the normal appeals process.

BARK BEETLE DAMAGE IN MONTANA

Senator BURNS. I would say, I really feel like the most dangerous thing, Mr. Secretary, is this bark beetle, not only in Colorado. I would just invite anybody to drive over Homestead Pass, between Whitehall and Butte, and then look south and just absolutely cry, and then go into the Yak and just absolutely sit down and cry that we cannot, some way or another, deal with these stressed trees and thinning the things—the management things that's going to take to care of that particular problem.

I have some more questions to ask of you.

Do you have anything to add, Senator Allard, you want to talk about right now, or are you going to do it in private conversations?

Senator ALLARD. I have some more questions if you need me to fill time.

WILDLAND FIRE PROGRAM

Senator BURNS. We don't need anymore fill time here. I'm going to ask you some other questions, but I'll do it and your response can be to the committee and be made a part of the committee record. Wildland fire outlook this year? Any forecasts?

Mr. REY. The forecast this year, is this will probably be a more difficult season than the last two. Particularly in the Southwest.

Senator BURNS. I know our snow pack in Montana has never been better, it's really good this year. Fire readiness capability, I think we want to talk about that and I think we also want to iron out this difference between State and volunteer fire assistance that you've got in your budget this year, and take a look at that. The outlook is good.

But those are the areas where I think I had my primary concerns and I'll do that. We'll sit down. When you go by his office, we'll schedule my office. We don't want you to work a half of a day.

[NOTE.—Senator Burns asked Chief Bosworth to have a meeting to discuss several issues related to the Wildland Fire Management program. Forest Service legislative affairs personnel have contacted Senator Burns' office to set up the meeting and are awaiting a date to discuss the issues.]

Senator BURNS. Senator Allard?

Senator ALLARD. Well, Mr. Chairman, thank you. I would like to voice many of the same concerns that the chairman is voicing.

TRAVEL MANAGEMENT

In the Rocky Mountain Region there are a lot of things that have happened that commonly effect, I think both Montana and Colorado. The question I have that I would like to ask here is, how much does the U.S. Forest Service anticipate the travel management, that is the designating of routes and areas for motor vehicle use to cost to fully implement nationwide. Specifically, what budgets within the U.S. Forest Service will funds be allocated in order to implement the travel management designated routes and areas for motor vehicle use. Do you happen to have that information?

Mr. BOSWORTH. In terms of the kinds of dollars we would use normally, you would think that recreation would be an area that would be funding part of that work. There are also a number of other functional areas that benefit from doing a better job of managing off highway vehicle use.

For example, water quality can be improved if we're doing a better job of keeping machines out of streams. Wildlife habitat can be improved if we're more careful about which trails and roads we allow motorized vehicles.

So we expect that a number of different budget line items will contribute to the planning and to the implementation of managing off highway vehicles.

As far as the total cost per forest, I could get you the best information if you give me a little bit of time to do that.

Senator ALLARD. That would be helpful I think, particularly in my State. We'd be interested in knowing how that breaks out.

Mr. BOSWORTH. I'd be happy to do that.

Senator ALLARD. Very good.

[The information follows:]

COST OF TRAVEL MANAGEMENT PLANNING

The Forest Service has estimated that nationally we will spend between \$15 and \$35 million per year over the next 4 years on travel planning. These costs only include travel planning costs associated with identifying a system of designated roads, trails, and areas. Costs on each national forest will depend not only on the local environment and local use, but on each unit's history of travel planning. Some national forests have recently completed comprehensive travel plans, while others are just beginning. These figures represent an average cost of \$600,000 to \$1.5 million per national forest to complete a travel plan from start to finish. On most national forests, travel planning will require a substantial effort, including environmental analysis and documentation prepared in an open, collaborative process. Although specific costs for travel management plans for each of the national forests in Colorado is not available, they are expected to be in the range stated above.

Since travel planning serves multiple purposes, funding may be derived from a variety of Forest Service appropriations depending on the primary purposes served at the local level. Among the principal programs and appropriations associated with travel planning are: Roads; Trails; Recreation, Heritage and Wilderness; Wildlife and Fisheries Habitat Management; and Vegetation and Watershed Management.

Senator BURNS. One personal thing, are we still working on that little thing with Mack White?

Mr. BOSWORTH. We're still working on that with Mack White. The Regional Forester has been in negotiations.

Senator BURNS. Will you tell him—be like Larry the Cable Guy—git er done and don't ask for any icing on the cake. We're just dealing with the cake right now. But I appreciate that and your efforts there.

ADDITIONAL STATEMENTS

We have received statements from Senator Larry Craig and the Society of American Foresters that will be made part of the hearing record.

[The statements follows:]

PREPARED STATEMENT OF SENATOR LARRY CRAIG

The President's budget reflects our nation's clear priorities for this year: win the war on terror, reduce budget deficits by reining in spending, create jobs and grow the economy, and boost America's energy independence.

In short, this budget is "leaner and meaner." And in the end, I'm hopeful it will translate into a more efficient government.

I've been very vocal about my support for the Secure Rural Schools and Communities Act, but I want to reiterate my thanks to the President for including funding for this important program in his budget request. However, I do have significant preliminary concerns about the offsets proposed by the President, and I look forward to receiving additional details and working with the administration.

Since the last Forest Service budget hearing, I have some new questions I'm hoping to have answered regarding the agency's new travel management rule. Recreation is an important quality of life issue for my constituents and I want to assure them that access will be maintained to our national forest lands. Additionally, it is important to note that the Forest Service is not in the business of closing roads for the purpose of saving money.

Idaho's Parks and Recreation Department has provided an exceptional amount of assistance to our federal land agencies doing trail maintenance and construction. We have recreational groups who have shown interest in an "adopt a trail" program to help the Forest Service do trail clearing and maintenance. I would like to have it on record that Idahoans are doing their part, from our State agencies to public land users, and I do not want those efforts to be overlooked.

Overall, I am pleased with the distribution of funds to the various accounts. I feel we need to continue to focus on fire preparedness and suppression; however, with a decrease in rehabilitation and restoration, I am curious about the President's proposal to continue to manage our public lands in a sustainable way after the fires come—and the fires will come.

PREPARED STATEMENT OF THE SOCIETY OF AMERICAN FORESTERS

The Society of American Foresters (SAF), representing over 15,000 forest managers, researchers, and educators, supports sound management and stewardship of the nation's 749 million acres of forestland. We offer the following suggestions to facilitate improved stewardship and management of the nation's forests through funding for forestry programs within the U.S. Forest Service and the Department of the Interior, Bureau of Land Management. Given the understandable restrictions on the length of our testimony, we do not offer the in-depth analysis we normally provide but would be pleased to provide further detail upon request.

Today, the nation's forest face serious threats—threats that will affect the provision of clean water and air, wildlife habitat, recreation opportunities, forest products, and scenic beauty. Congress is faced with serious budget challenges and funding is extremely limited. In recognition of this, we've limited our funding recommendations to three priority areas even though there are many important forestry programs within USDA and USDOL. The priority areas are:

- Forest Research and Inventory
- Forest Health on both public and private forestlands
- Family forestland Management

FOREST RESEARCH AND INVENTORY

The key to good stewardship and sustainable, long-term management of the nation's forests is sound scientific information. Forestry professionals must have the latest information on the state of forests, as provided by the Forest Inventory and Analysis program, and have access to new techniques and new research that will ensure they can continue to be good stewards in the constantly changing forest environment. We are deeply concerned with continuous declines in forest research capacity in the public and private sectors. Since the mid-80's, forestry research capacity in the U.S. Forest Service has declined by 50 percent and unfortunately, the private

sector and universities are facing similar downsizing. At the same time, federal investment in other research, including USDA's National Research Initiative which does not adequately provide for forestry research, has increased.

This decline in forestry research is contrary to the critical importance of the nation's forests in global trade and in ensuring national health and welfare. We strongly urge sustained long-term funding for forestry research and inventory, including full funding for the Forest Inventory and Analysis program, to ensure the United States retains its capacity to manage and improve forests and the associated values and benefits.

FOREST HEALTH

Across the country, over 190 million acres of federal forests and millions of acres of non federal forests, suffer from severe forest health issues and are threatened by catastrophic wildfires due to lack of management, insect and disease epidemics, climatic conditions, historical fire suppression practices, and other causes. Insect and disease problems include invasive species like the emerald ash borer, gypsy moth, and asian longhorned beetle; other insects like southern pine beetle and mountain pine beetle; and diseases like sudden oak death and white pine blister rust. To address these threats, we strongly urge increases above fiscal year 2006 levels for forest health management and sustained funding for wildfire management accounts in both the USDA Forest Service and Bureau of Land Management.

Biomass Utilization

The President's budget proposes \$5 million within the hazardous fuels line item to support biomass utilization grants. Biomass utilization offers a mechanism to address costly forest health issues and recover economic value from small diameter and unmerchantable wood. In addition to these forest benefits, biomass utilization can help reduce the nation's reliance on foreign oil imports and increase the use of renewable energy sources, a goal emphasized by the President and supported by the passage of the 2005 Energy Bill. We urge you to fund biomass utilization within the hazardous fuels program at \$10 million, to help foster utilization and development of markets for this material and assist in achieving forest health U.S. energy security goals.

Wildfire Suppression Funding

We greatly appreciate the Appropriations Committee's work to address the funding problems that have plagued wildfire suppression accounts in the Forest Service and Department of the Interior. Since steps were taken by your Committee and the Budget Committees to provide \$500 million in emergency suppression funding, the agencies have not had to borrow from other accounts and disrupt the work of other important federal forestry programs. We urge you to continue to monitor this issue and provide additional emergency funding when necessary. In addition, we urge you to continue to monitor the Forest Service and Department of the Interior's cost containment efforts, to ensure progress is being made in this area.

Hazardous Fuels

We strongly support the President's proposal to increase the U.S. Forest Service's funding for hazardous fuels reduction. We encourage the use of these funds in areas where Community Wildfire Protection Plans have recommended treatments. We are concerned with the \$10 million decrease in hazardous fuels reduction funding for the Department of the Interior. This decrease would result in an estimated 32,000 acre reduction in fuel treatments, 17,000 acres in the Bureau of Land Management alone. Ultimately, the undesirable consequences will be increased risk of catastrophic wildfire and insect and disease outbreaks. We urge you to fund DOI's hazardous fuels program at fiscal year 2006 enacted levels..

FAMILY FORESTLAND MANAGEMENT

With the future of 48 percent of the nation's forests in the hands of over 10 million family or non-industrial landowners, it is critical that this land remain forested. Family forestland owners are faced with severe challenges today, when owning forestland is often uneconomical and development pressures are fierce. A significant turnover in ownership of family forests is expected to occur over the next decade, creating a great deal of uncertainty as a new, younger generation decides what to do with their forests. Family forests supply approximately 60 percent of the nation's wood products. However only 3 percent percent of landowners have a written management plan and only 22 percent have sought professional advice prior to harvesting timber. These lands must be well managed with advice from professionals to avoid losses in productivity which make them susceptible to conversion to non-

forest uses. To keep these lands forested, we must ensure that family forestland owners have access to professional advice and that these forests remain under sound management and stewardship. There are a variety of federal forest programs that assist in accomplishing this goal. The Forest Stewardship Program and Forest Legacy Program are critical to maintaining and improving private family forests. We urge you to increase funding above fiscal year 2006 levels for these programs as shown below.

FUNDING RECOMMENDATIONS FOR THE U.S. FOREST SERVICE

[In millions of dollars]

Discretionary appropriations	Fiscal year—		
	2006 enacted	2007 proposed budget	2007 SAF recommendations
Forest and Rangeland Research ¹	219.6	208.5	220.0
Forest Inventory and Analysis Total ²	64.0	59.3	73.4
State and Private Forestry:			
Forest Health Management—Federal	53.4	49.8	56.0
Forest Health Management—Cooperative	46.9	34.5	49.0
State Fire Assistance	32.9	27.0	32.9
Volunteer Fire Assistance	5.9	5.9	5.9
Forest Stewardship Program	34.2	33.9	37.0
Forest Legacy Program	56.5	61.5	61.5
Urban and Community Forestry	28.5	26.8	28.5
International Forestry	6.9	4.9	7.0
National Forest System:			
Land Management Planning	58.2	55.6	58.2
Inventory and Monitoring	167.7	154.1	154.1
Forest Products	280.2	310.1	310.1
Wildland Fire Management:			
Preparedness	666.1	655.9	655.9
Fire Operations	690.2	746.2	746.2
Hazardous Fuels	281.8	291.8	³ 291.8
Rehabilitation and Restoration	6.2	2.0	7.0
Fire Research and Development	22.9	20.1	22.9
Joint Fire Sciences Program	7.9	4.0	8.0
Forest Health Management—Federal	14.8	6.8	15.0
Forest Health Management—Cooperative	9.9	4.6	10.0
State Fire Assistance	45.8	29.1	45.8
Volunteer Fire Assistance	7.8	7.8	7.8

¹ Totals do not include FIA funds which are broken out in the next line.

² Includes funding under State and Private Forestry and Research and Development.

³ Funding would include \$10 million for biomass utilization, see above narrative.

FUNDING RECOMMENDATIONS FOR THE BUREAU OF LAND MANAGEMENT

[In millions of dollars]

Program	Fiscal year—		
	2006 enacted	2007 proposed	2007 SAF recommendation
Wildland Fire Management:			
Preparedness	268.8	274.8	274.8
Suppression	230.7	257.0	257.0
Hazardous Fuels	208.1	199.8	208.1
State and Local Fire Assistance	9.9	10.0
Joint Fire Science	5.9	5.9	6.0
Public Domain Forest Management	10.4	10.5	10.5
OR and CA Grant Lands Total	108.6	112.4	112.4

ADDITIONAL COMMITTEE QUESTIONS

Senator BURNS. Thank you this morning for your appearance before this committee. There will be other questions from other committee members. If you would respond to them and to the com-

mittee, we'd surely appreciate that. The record will be left open for a couple of weeks if you want to make further comments.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

Question. In an overall Forest Service budget that is cut by over \$100 million, the agency proposes an increase of roughly \$71 million in appropriated dollars to fully implement the Northwest Forest Plan that was created under the Clinton administration.

The Committee is sympathetic to the communities that lost timber jobs in the Northwest, but in a budget that is so full of major cuts to core national programs, isn't this an awfully large increase for one region of the country?

Answer. The fiscal year 2007 Budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery. This has required difficult decisions to be made. Forest health is a priority for the administration and the Forest Service is committed to addressing the issue across the Nation. In this context, the administration is committed to fully funding the Northwest Forest Plan. The additional funding for the Northwest Forest Plan will allow the agency to offer 800 MMBF of timber volume, improve over 3,900 acres of terrestrial wildlife habitat and 120 miles of fisheries habitat, treat hazardous fuels in the wildland-urban interface and municipal watersheds, and address reforestation needs of recent large forest fires.

Question. What is the impact on other Regions of the Forest Service?

Since the overall budget is cut, will other Regions receive less to pay for this proposal?

Answer. The agency is committed to funding all regions at similar levels to fiscal year 2006 through a combination of Hazardous Fuels and Forest Products funding. Forest health is a priority for the administration and the Forest Service is committed to addressing the issue across the Nation.

Question. The timber sales program in this part of the country is especially controversial and many sales are challenged in court. Are we getting the best bang for the buck by putting so many additional dollars here, or are there other places where these funds could be spent and get more timber sales accomplished?

Answer. The administration is committed to fully funding the Northwest Forest Plan. Cost efficiency is not the only consideration in allocating the Forest Products line item. For example, increasing timber sales increases the amount of receipts shared with the States and reduces outlays from the Treasury for payments authorized for the Secure Rural Schools and Community Self-Determination Act. The Forest Products line item is an important source of funding in meeting resource needs, addressing forest health and community protection issues, contributing to local economies and maintaining local industry infrastructure. The allocation of the Forest Products line item takes into consideration these resource and community concerns and the allocation of other line items. Forest health is a priority for the administration and the Forest Service is committed to addressing the issue across the Nation.

Question. There is a real problem with a backlog of expiring grazing permits that need to be renewed. Congress put a schedule in place for the renewal of these permits in the 1995 Rescissions Act. Your budget justification says that you're only getting done 50 percent of the work that you need to do each year to comply with the schedule. The schedule requires all allotments to be completed by 2010.

The agency's fiscal year 2007 budget proposal reduces the grazing program by \$8.5 million and the number of grazing allotments processed declines by 34 percent—from 484 allotments this year to 321 next year. Why is that a good idea when we still have over 3,200 allotments needing to be processed?

Answer. In 1996, the Forest Service established a 15-year schedule for completing NEPA on all allotments where it was not current, in compliance with the Rescissions Act of 1995. It was an ambitious schedule that the agency had wanted to expeditiously complete. Due to a number of issues, such as appeals and lawsuits, the agency has not been able to maintain pace with the 1996 schedule. At this point, the agency has completed nearly 54 percent of the NEPA needs. In 2005, Congress authorized the Forest Service to use Categorical Exclusions on 900 allotments, to expedite the NEPA work. This new authority will speed the progress towards achieving the agency's obligations as set forth in the allotment schedule.

Question. In the fiscal year 2005 Interior appropriations bill, the committee provided additional funds to address the backlog of allotments and also provided a Categorical Exclusion from NEPA for grazing allotments that met certain conditions. There was a cap of 900 allotments on this authority.

How many allotment decisions have been made using this authority so far?

Answer. The Forest Service has used this authority for 44 allotments since its initiation. The agency anticipates using this authority to complete another 100–200 by the end of fiscal year 2006.

Question. Is this authority helping to speed up the process?

Answer. Yes, this authority has helped speed up the process. On those allotments where we have not proposed changes to the management and the conditions are either meeting or moving towards what is described in our land management plans, it reduces the amount of time needed to go through the analysis and decision making process to get a decision.

Question. Does this cap need to be raised so you can get more allotments processed that meet the standard for use of this authority?

Answer. No, not at this time. Forest Service staff is assessing what the agency can do in using the CE authority in fiscal year 2006 and fiscal year 2007. Based upon preliminary information, it is highly unlikely that we will need to have the cap raised.

Question. The administration has proposed extending the Secure Rural Schools Act—the last payment will be made under the act in December 2006—by selling roughly 310,000 acres of National Forest System lands to generate \$800 million in revenue. In Montana, 13,948 acres are eligible for sale. The administration's proposal would gradually phase out payments over a 5 year period.

Doesn't the agency think it's unwise to sell our National Forest System lands to fund a program that deserves funding on its own?

Answer. The original Secure Rural Schools (SRS) legislation was designed to be a transitional measure to allow States and counties to readjust their priorities and programs so that they are no longer dependent on a higher level of funding from national forest receipts. Currently there are counties at different stages of making this transition. Consistent with this situation and need, the administration is proposing to provide a funding source for the next 5 years to enable a longer period for States and counties to make the transition before the program is phased out as originally contemplated.

Conveyance of a limited number of National Forest System acres will offset payments for the Secure Rural Schools program if reauthorized. This focused approach will provide an adequate revenue source to support Secure Rural Schools. Baselines of both the Congressional Budget Office and the Office of Management and Budget reflect the end of this program, so in order to provide the necessary offset to the Treasury to extend this program, any proposal to extend it would have to provide a suitable offset that would "score" by either reducing direct spending from the Treasury or by providing a new source of receipts to the Treasury. The proposal was sent to both the Senate and the House on March 22, 2006 for consideration by the Congress.

Question. Since over 75 percent of the money under the Secure Rural Schools Act goes to Oregon, California, and Washington, why would people in other States want to sell off their public lands when most of the proceeds wouldn't even stay in their States?

Answer. The Budget underscores the President's commitment to States and counties impacted by the ongoing loss of receipts associated with lower timber harvests on Federal lands—not only in the Pacific Northwest but throughout the United States. Counties throughout the United States have received payments under the current County Payments Act and would continue to do so in the Budget's legislative proposal, so it is reasonable to identify parcels nationally that could be eligible for sale. Regardless of location, sales will be limited to those parcels identified as suitable for conveyance, because they are isolated or inefficient to manage, in existing national forest plans which were subject to public review and comment. These do not include parcels of high environmental value such as wilderness, wild and scenic rivers, or habitat for threatened or endangered species.

The initial list of potentially eligible parcels for conveyance under the proposed authority is approximately 300,000 acres. The actual number of acres will not be known until specific properties are identified, appraised, and conveyed and parcels have gone through the public review process outlined in the Federal Register. Based upon average land values, it should require the sale of approximately 200,000 acres to provide \$800 million in receipts that the proposal identified to fund the Secure Rural Schools program for an additional five years.

Question. Given budget constraints that the Congress has to deal with, future acquisitions of public land will have to rely more on land exchanges rather than through appropriated dollars from the Federal Government. Wouldn't getting rid of many of these isolated parcels take away a key bargaining chip for doing future land exchanges?

Answer. The tracts identified as potentially eligible for sale could also be considered for exchange. However, many field units forego land exchange opportunities unless they expect to achieve significant gains in resource quality and protection. Selling many of the types of parcels identified can provide for a lower cost method of achieving the benefits associated with the disposal of isolated tracts, in particular, a reduction of boundary survey and maintenance costs and expenses related to encroachment resolution. There will still be many opportunities for land exchanges involving other National Forest System lands and, coupled with land purchases and donations, will still allow for the acquisition of high priority tracts within the National Forest System.

Question. According to the agency's proposed budget, the Forest Service has a backlog of deferred maintenance of over \$8 billion. But your budget proposes to cut the overall Capital Improvement and Maintenance accounts by 12 percent. The Roads account alone is cut by over \$39 million which is a 17.8 percent cut.

Why is the agency cutting this account when the backlog of deferred maintenance needs is so high?

Answer. The fiscal year 2007 Budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery. This has required difficult decisions to be made. In this context, even though the amount of funds provided for deferred maintenance is not large, they provide a meaningful and direct benefit to the agency's priority activity of reducing deferred maintenance, particularly critical health and safety related deferred maintenance needs. The Budget also reflects funding generated through the use of authorities provided by the Congress to assess the costs of facilities maintenance and the sale of certain administrative sites. This will permit the agency to reduce its maintenance backlog by 25 percent by 2010. The funds are slowing the rate of increase in deferred maintenance.

Question. How are you planning to address this enormous backlog of deferred maintenance?

Answer. The Forest Service is modernizing and realigning infrastructure to match its mission, organizational structure changes, and funding expectations. To aid in the realignment and to minimize our backlog of deferred maintenance, the agency is using some important new tools:

(1) The agency is using the Facilities Realignment and Enhancement Act authorities to dispose of unneeded buildings, and using the proceeds to reduce deferred maintenance or construct new buildings that meet current needs. The agency has planned \$100 million in sales over the next 2 years.

(2) The agency is using the cost pool methodology to give forests an incentive to reduce unneeded facilities.

(3) We are working with States to improve our trails program through grants of funds provided by SAFETEA-LU's recreation trails program.

(4) The November 9, 2005, Travel Management Rule provides a process to identify the minimum road system required considering the availability of resources for maintenance and administration of roads and trails proposed to be designated for motor vehicle use. The analysis will guide the optimum use of available funding, so that the highest priority roads and trails will be sustained or in some cases, improved. In some cases, roads and trails may be operated at a lower, less costly level. For example, many passenger vehicle roads will be converted to high clearance vehicle roads.

Question. What are the impacts to recreational users and the firefighting program if we don't have the money we need to maintain the roads and provide access to our national forests?

Answer. Each national forest conducts ongoing travel management analysis to guide the optimum use of allocated funding, so that the highest priority roads and trails will be sustained or improved. Recreation and fire suppression access needs are important components in determining the optimum transportation system to sustain with anticipated funding. Collectively, road operational standards will continue to decrease, and the overall consequences to the transportation system can be minimized through advanced planning and appropriate use of available funding.

Question. A Federal District court in the *Earth Island Institute v. Ruthenbeck* case held that the Forest Service had to provide notice, comment, and appeal on projects

implemented through the use of categorical exclusions. This judicially created requirement regarding CEs applies to no other agency in the Federal Government.

The agency's budget justification indicates that this case delayed or canceled 723 fuels reduction projects affecting over 1 million acres. What is the status of this litigation?

Answer. On September 4, 2005 the Government appealed the July 2, 2005, decision from the Eastern District of California to the Ninth Circuit Court of Appeals.

Question. Are you planning to appeal?

Answer. On September 4, 2005 the Government appealed the July 2, 2005 decision from the Eastern District of California to the Ninth Circuit Court of Appeals. The case is fully briefed and awaiting oral argument before the Circuit. Recently, a second court held that a categorically excluded decision must be subjected to notice, comment, and appeal. See *Wilderness Society v. Rey*, CV 03-119 DMW (D. Mont. Decided April 24, 2006). The deadline for filing an appeal in that case is June 23, 2006.

Question. Is there anything you can do administratively to address this situation or is a legislative fix needed so that the Forest Service is treated like every other agency when it comes to the use of categorical exclusions?

Answer. Sixteen cases have been filed challenging the Forest Service's promulgation or implementation of the 2003 regulations issued under the Appeal Reform Act. The Government is actively defending all pending cases and has appealed the *Earth Island* ruling.

Question. The committee is concerned about the large cut (\$28.9 million which is equal to 23 percent) that is proposed in your budget for the Forest Health program. This program helps to monitor and treat millions of acres of State, Federal, and private lands for insects, diseases and invasive weeds.

How many fewer acres will be treated as a result of these cuts?

Answer. While the President's Budget for forest health activities, funded in the Forest Health Management budget lines and the National Fire Plan (Wildland Fire Management appropriation), reflects a decrease from the fiscal year 2006 enacted level, it is an increase of \$11.9 million over last year's President's Budget. Approximately 628,000 fewer acres will be treated than the currently planned treatments in fiscal year 2006.

Question. How many acres nationally need treatment for insects and disease?

Answer. The latest revision of the National Insect and Disease Risk Map estimates that 56.6 million of the 748.7 million acres of forest land in the continental United States and Alaska is at risk from insects and diseases. Most of this hazard can be attributed to 44 indigenous and 14 non-native (exotic) forest pest species already established in the coterminous United States. Many of these lands at risk will not be treated because of ownership, value, or designation such as wilderness.

Question. Congress recently passed Healthy Forests legislation. If we're going to have a healthy forests program, doesn't that mean we need to put adequate funds into the agency's forest health programs rather than cut them?

Answer. The Healthy Forests Restoration Act (HFRA) provides the land management agencies with needed authorities that will expedite treatments and thereby permits the Forest Service to be more efficient. The fiscal year 2007 Budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery. This has required difficult decisions to be made. In this context, while the President's Budget for forest health activities, funded in the Forest Health Management budget lines and the National Fire Plan (Wildland Fire Management appropriation), reflects a decrease from the fiscal year 2006 Enacted level, it is an increase of \$12.1 million over last year's President's Budget, and the Budget reflects the enhanced efficiencies provided by HFRA. The President's Budget recognizes the importance of maintaining forest health technical assistance to Federal and nonfederal land managers and maintaining forest health monitoring activities and meeting the highest priority pest suppression needs on Federal lands, while relying on nonfederal partners to continue to share more of the cost of pest suppression on State and private lands. Further, the Budget reflects significant increases elsewhere for other activities that improve the health and vitality of national forests. For example, funding for Forest Products increases by \$30 million (+11 percent) and Vegetation and Watershed Management increases by \$6 million (+3 percent). President Bush is allocating \$610 million in the 2007 budget to continue implementation of the Healthy Forests Initiative to reduce hazardous fuels and restore forest health. The budget proposal, more than a \$12 million increase over 2006, takes an integrated approach to reducing hazardous fuels and restoring forest and rangeland health. Along with more than \$301 million

provided to the Department of the Interior, the 2007 budget provides a total of nearly \$913 million to implement the Healthy Forests Restoration Act.

Question. The State fire assistance program is very important in providing grants for equipment and giving technical assistance to rural fire departments. The fiscal year 2007 budget request proposes to reduce this program by \$22.7 million. This is a 25 percent reduction. To put this in more practical terms, this will reduce the number of communities receiving grants and technical assistance by over 5,300.

Is this a wise cut when frequently it's the local firefighting forces that are first on the scene of a wildfire?

Answer. The Forest Service supports efforts to improve firefighting readiness, and recognizes the primacy of State and local governments in providing these essential services to their citizens. In addition to Forest Service financial assistance, the Forest Service will continue to work with local communities and the State foresters with an emphasis on community wildfire protection planning and coordination on FEMA hazard mitigation plans, hazardous fuels treatments in the critical wildland-urban interface, and building fire preparedness at the State and local level remain priorities. The implications of reduced levels of funding in State Fire Assistance will vary from State to State. Generally, depending on the capability of each State, there may be less overall funding for preparedness at the State and local level to provide initial attack and extended attack assistance to Federal firefighting resources on Federal fires. Depending on the funding capabilities of the States and local communities, hazardous fuel treatments on the State and private portions of the wildland-urban interface may be reduced over prior years. Some of that reduction may be offset by proposed increases in hazardous fuel accomplishments on national forest acres in the wildland-urban interface.

Question. Over the last several years, the committee has had some difficulty working with the agency on funding for the Fire Preparedness budget. This is the program that puts in place firefighters, engines, and other basic firefighting assets at the start of the fire season. In the budget for fiscal year 2007, you have reduced the program by over \$10 million but your budget claims that you will still be able to suppress 99 percent of fires during initial attack- that is, before they get over 300 acres.

With the rising costs of fuel and aviation assets, can the agency assure the committee that even with a \$10 million cut in preparedness that you can maintain readiness in terms of the number of firefighters and engines at current levels?

Answer. In fiscal year 2007, the Forest Service will maintain a level of readiness, including firefighters, comparable to that attained in fiscal year 2005 and planned for fiscal year 2006. The agency will achieve efficiencies through program leadership and a reduction in agency-wide overhead.

Question. A number of fires have been in the news already this year in Texas, Arizona, and Colorado to name a few. Many places in the Southwest, like Arizona and New Mexico are really suffering from lack of precipitation.

How severe do you expect this fire season to be based on what you know now?

Answer.

NATIONAL WILDLAND FIRE OUTLOOK, NATIONAL INTERAGENCY FIRE CENTER,
PREDICTIVE SERVICES GROUP, ISSUED: APRIL 12, 2006

WILDLAND FIRE OUTLOOK—APRIL THROUGH AUGUST, 2006

Fire potential is expected to be significantly higher than normal over portions of the West, Alaska, Great Plains, Gulf Coast and the East due to the following factors:

- Above average rain and snow in northern and central portions of the West will temper fire potential in the forests. Conversely, a dry winter in the Southwest and Alaska has increased the risk of wildfires this spring and summer. In addition, the Southwest and Great Basin have abundant carryover fine fuels from the wet 2004/2005 winter. This will elevate fire potential due to increased fuel loading and a continuous fuel bed for rapid fire spread. Long-term drought and associated bug-killed vegetation continue to elevate fire potential in portions of the West.
- Very dry conditions in the Southern Plains, Southeast and Eastern States will keep fire potential high until summer thunderstorms provide ample rainfall to diminish the fire threat.
- Alaska is expected to have another above normal fire season with the main areas for concern in the Southwest, western Kenai Peninsula and around the Delta Junction area southeast of Fairbanks.



Question. How much money does the agency have available in its fire suppression accounts for firefighting this year?

Answer. The Forest Service did not find it necessary to use the emergency reserves in 2005 and carried over a suppression balance of \$501 million to fiscal year 2006. Along with the fiscal year 2006 suppression appropriation of \$698 million, the agency has an approximately total of \$1.2 billion available for fiscal year 2006.

Question. Would the agency expect that you may have to borrow against other non-fire accounts that caused so much disruption to agency programs a few years ago?

Answer. For fiscal year 2006, the agency retained about \$500 million in fiscal year 2005 unobligated Wildland Fire Management funds. Those funds, in addition to the fiscal year 2006 appropriation of \$690 million provide a little less than \$1.2 billion for fire suppression. Fire suppression costs have only exceeded \$1.2 billion once in the last 10 years, therefore the funding should be sufficient to fund this year's fire suppression needs.

Question. The Chief has identified unmanaged recreation as one of the four major threats to our national forests. The subcommittee is hearing from the public in Montana that many local managers are locking gates on roads for seasonal closures but are not opening them back up when the closure expires. This is encouraging illegal use as folks are driving around closed gates that should be open.

Has the agency heard anything about this problem?

Answer. We are not aware of the problem as described. While we recommend that road closure issues be addressed at the local level, we are concerned about the problem as stated and request more specific information you can provide.

Periodically, there are good reasons to extend a closure for safety or to protect resource values. Two common examples are unstable road surfaces during spring rains or late break-up and blocked access due to late snowpack in the high country. In such cases, the public needs to be notified in advance of extending the closure.

Question. Is this something that the agency can look into and make sure that when seasonal closures expire that these roads are re-opened?

Answer. As stated in the answer to question 25, there are cases where seasonal closures must be extended for public safety and resource protection reasons. In such cases, we expect that the public be notified in advance of the extension. If you have any more specific information on the situation described, we will be better able to pinpoint problems and develop a prompt solution.

Question. There is a tremendous problem in Montana with bark beetle infestations. Recent figures indicate that since 1999 in Region 1, bark beetle infested acres have increased from 400,000 acres to more than 1.7 million acres. This has caused enormous forest health problems and greatly increased fire danger.

With this kind of massive epidemic of bark beetle infestations can you explain the rationale for cutting the money devoted to bark beetle management in half—from \$32 million to \$16 million?

Answer. The fiscal year 2007 President's Budget includes \$14 million in the Forest Health Management budget lines for the control of western bark beetles (\$7 million) and the southern pine beetle (\$7 million). Although funding for western bark beetle suppression projects in Western States, including Montana, is 28 percent less than the enacted budget for fiscal year 2006, it is more than 50 percent higher than the fiscal year 2006 President's Budget. At the proposed funding level, management projects for western bark beetles will be conducted on 33,500 acres of Federal and cooperative lands across the West. Efforts to mitigate beetle-caused mortality will include using environmentally sensitive strategies such as pheromones and preventive thinning of stands to reduce risk before an outbreak occurs. Further, the Budget reflects significant increases elsewhere for other activities that improve the health and vitality of national forests. For example, funding for Forest Products increases by \$30 million (+11 percent) and Vegetation and Watershed Management increases by \$6 million (+3 percent). President Bush is allocating \$610 million in the 2007 budget to continue implementation of the Healthy Forests Initiative to reduce hazardous fuels and restore forest health. The budget proposal, more than a \$12 million increase over 2006, takes an integrated approach to reducing hazardous fuels and restoring forest and rangeland health. Along with more than \$301 million provided to the Department of the Interior, the 2007 budget provides a total of nearly \$913 million to implement the Healthy Forests Restoration Act.

Question. What will be the impact in other States with similar bark beetle problems?

Answer. The fiscal year 2007 President's Budget includes \$7 million in the Forest Health Management budget lines for the control of western bark beetles and another \$7 million for southern pine beetle. Although this funding level is 47 percent less than the enacted budget for fiscal year 2006, it is 75 percent higher than the fiscal year 2006 President's Budget. At the proposed funding level, management projects for bark beetles will be conducted on approximately 105,000 acres of Federal and Cooperative lands. Efforts to mitigate beetle-caused mortality will include using environmentally sensitive strategies such as pheromones and preventive thinning of stands to reduce risk before an outbreak occurs.

Question. Chief you were kind enough to join me in Montana for a field hearing back in December regarding forest planning in Region 1. As you know, we've got 5 forest plans covering over 11 million acres in Montana that are being revised.

We received a lot of comments from folks during that hearing that were concerned about public access and motorized use being further limited on the forests in Montana. Can you tell us how you are taking these concerns of citizens into account in drafting these new plans?

Answer. The five land management plans (LMPs) currently being revised in Montana are on the Beaverhead-Deerlodge, Bitterroot, Lolo, Flathead, and Kootenai National Forests (NFs).

The Beaverhead-Deerlodge NF's comment period on its draft plan and environmental impact statement (EIS) ended on October 31, 2005. The Forest is analyzing those comments and preparing a final plan and EIS. The Forest continues to work with all interest groups, including both summer and winter recreation groups to address their concerns. The final plan will identify areas where motorized use is emphasized and areas where motorized use is not appropriate. As a result of public comment throughout the plan revision process, the Forest has identified several areas where motorized trails could be connected to form loops and facilities could be constructed to accommodate motorized use. The Ecosystem Research Group (ERG) has provided the Forest with a "collaborative alternative" to consider when preparing the final plan. The Forest continues to work with ERG to determine how best to consider that alternative in the final plan.

The planning teams on the Bitterroot, Lolo, Flathead, and Kootenai NFs are in the final stages of developing proposed LMPs. These proposed LMPs will be released for a 90-day comment period. Public input from a series of public and collaborative meetings is incorporated into the draft LMPs. These draft LMPs will be released for a 90-day comment period.

As a result of this extensive public input, the Bitterroot, Flathead, and Lolo NFs have added motorized loop routes as a component of desired conditions in their LMPs. The Bitterroot and Lolo NFs identified backcountry areas (labeled "Manage-

ment Area 2.2" within the LMP) as generally suitable for limited motorized use. These LMPs also identify desired conditions for motorized and non-motorized activities. The public will be able to comment on these proposed LMPs during the 90-day comment period. The Forests intend to convene a series of public meetings during this comment period to explain the proposed LMPs.

The Kootenai NF has developed several management areas to address comments associated with travel management. The Forest will continue working with user groups to identify areas best suited for motorized use.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

Question. The 2004 fire season was the worst Alaska has ever seen. Alaska had 703 fires and over 6.6 million acres burned. Alaska's 2005 fire season was almost as destructive. 624 fires and close to 5 million acres burned. Though these numbers are staggering, the Forest Service's fiscal year 2007 budget calls for sharp reductions in Alaska's allocation for programs that play a key role in implementation of the National Fire Plan and other programs focused on fire prevention and hazard mitigation. More specifically, Alaska's fiscal year 2007 allocation for State & Private Forestry funds is a 17 percent reduction from 2006. Alaska's fiscal year 2007 allocation for Wildland Fire Management funds is decreased by 47 percent from 2006, including a 76.5 percent reduction in State Fire Assistance Program funding.

Given the number and acreage of fires in Alaska each fire season, how does the Forest Service justify such a drastic reduction in funds for fire management purposes? Do you feel the Forest Service budget has adequate resources for this upcoming fire season?

Answer. Fiscal year 2006 funding provides the Forest Service with adequate resources for this upcoming fire season. The fiscal year 2007 budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery. The fiscal year 2007 budget aligns with the national priorities. The USDA and the DOI worked together closely to ensure the National Fire Plan programs would be funded at a level that would allow both departments to meet their planned readiness level.

Question. The fiscal year 2007 budget for the Forest Service includes a proposal to extend the Secure Rural Schools and Community Self-Determination Act by selling 200,000 acres of National Forest System land to offset the act's \$800 million cost. Sales receipts would go to States impacted by lower timber sales on Federal lands and payments would decrease and phase-out over 5 years. Justification for the proposal is that sale of national forest land and resulting development of the land would increase State and local tax base and reduce the need for Federal funds. The proposal has also been justified on grounds that regular receipt-sharing payments are sufficient to meet community needs. Secure Rural Schools Act payments are vital to communities in Southeast Alaska where the Tongass National Forest covers over 90 percent of the land and timber sale volume continues to be unstable and very low.

How does the Forest Service justify reducing and eventually phasing out Secure Rural Schools Act payments to States such as Alaska where very little or no national forest land acreage is available for sale and regular receipt-sharing payments are low?

Answer. The Secure Rural Schools and Community Self-Determination Act of 2000 addresses the decline in revenue from timber harvest in recent years received on Federal land, that have historically been shared with counties under the 25 percent Act of 1908. The purpose of the act is to stabilize payments to counties to help support roads and schools, provide projects that enhance forest ecosystem health and provide employment opportunities, and improve cooperative relationships among Federal land management agencies and those who use and care about the lands the agencies manage.

For each year 2001–2006, the law allows States to receive a payment from the Federal Government based on the State's average of its top 3 years of payments from national forest and BLM receipts from Federal lands from the period of 1986–1999.

If the Secure Rural Schools existing legislation is not reauthorized, barring any other changes in authorizations, the States will continue to receive their share of 25 percent fund payments under the 1908 act. Funds are distributed to eligible States that received a 25-percent payment during the eligibility period based on an amount equal to the average of the three highest 25-percent payments and safety net payments made to that eligible State for the period between 1986–1999.

QUESTIONS SUBMITTED BY SENATOR LARRY CRAIG

Question. My first question is in regard to the new travel management rule. Does the Forest Service have an estimated number of miles identified for road and trail closers?

Answer. The travel management rule itself does not open or close any road, trail, or area. Instead, the rule establishes national guidance for making designation decisions at the local level. Each national forest or grassland will assess its current travel management direction, involve the public, and determine whether changes are needed. Designations will be made with public involvement; coordination with Federal, State, county, tribal, and local governmental entities; and appropriate environmental analysis and documentation. The miles of road or trail that will be added to the forest transportation system or be closed will depend on the results of planning at the local level over the next 4 years.

Question. Additionally, with the new rule, how does the Forest Service plan on funding such a large task with declining budgets?

Answer. The Forest Service estimates that it will spend between \$15 and \$35 million per year over the next 4 years on travel planning. These obligations will occur within existing and available budget authority, so no new funding is necessary. Travel planning serves multiple purposes, and funding may be derived from a variety of Forest Service appropriations depending on the primary purposes served at the local level. Among the principal budget line items associated with travel planning are Roads, Trails, Recreation, Heritage and Wilderness, Wildlife and Fisheries Habitat Management, and Vegetation and Watershed Management.

Question. Along with that and new wilderness proposal areas, does the Forest Service agree that those agency-designated areas should remain accessible by both motorized and non-motorized recreationists?

Answer. In accordance with agency policy, a roadless area being evaluated and ultimately recommended for wilderness or wilderness study is not available for any use or activity that may reduce the area's wilderness potential. Activities currently permitted may continue, pending designation, if the activities do not compromise wilderness values of the roadless area. This direction gives the local line officer discretion in evaluating such activities and determining whether or not to allow them to continue.

QUESTIONS SUBMITTED BY SENATOR WAYNE ALLARD

Question. As I understand it, the President's Budget includes a \$30 million increase in the forest products line item, but that entire \$30 million increase plus an additional \$11 million of forest products funding would go to the Pacific Northwest as increased funding for the Northwest Forest Plan.

My question is this—will the increased funding for the Northwest Forest Plan be at the expense of dealing with the bark beetle problems in Colorado or is there room in this proposed budget to get more timber sale money to the national forests in Colorado to address the bark beetle problems?

Answer. The agency is committed to funding all regions at similar levels to fiscal year 2006 through a combination of Hazardous Fuels and Forest Products funding. Forest health is a priority for the administration and the Forest Service is committed to addressing the issue across the Nation. The agency determines where Forest Products program funding should be allocated to best support forest management programs, while using Hazardous Fuels funding to address the highest priority fuels reduction needs.

Question. The proposed Forest Service budget includes an \$11 million increase in Hazardous Fuels funding. I strongly support spending money proactively on hazardous fuels projects if it will reduce the risk of forest fires and the associated risks to watersheds, communities, and residents. However, I'm concerned that some of the acres treated aren't the highest priority acres.

From your reviews of the hazardous fuels program, is there room to improve what's being done on-the-ground, and how are you working toward that objective?

Answer. Each year our national fuels treatment program priorities are developed in cooperation with the Department of the Interior and transmitted to regions, forests, and districts. That guidance shapes prioritization decisions at the individual national forests and ranger districts, where fuels treatments are evaluated on a site-specific basis. In addition, other resource treatments for wildlife habitat improvement, watershed, vegetation management, and recreation are also being designed to address fuels treatment and vegetation management needs. Combining objectives can help address both fuel reduction and condition class improvement goals. The timing and placement of these treatments on the landscape are evaluated with our

partners at other Federal agencies and at the State and local level. These partnerships are very well established and successful in some areas, and are still being formed in other locations.

We are also improving the prioritization process and performance measures to focus on the right acres, at the right time, and in the right place. Wildfires do not recognize property boundaries or agency administration. For hazardous fuels treatments to be most effective, they must be designed to change the behavior of a wildfire. To fully protect communities and firefighters, private landowners in the wildland-urban interface must also take responsibility for reduction of hazardous fuels on their lands and around their homes and structures. The National Fuels funds allocation and prioritization methodology evaluates Regional fuels treatment needs using measures of efficiency, effectiveness, consequences, restoration opportunities and wildfire risk. These measures are evaluated and ranked by an interdisciplinary team with results presented geospatially to guide the National Headquarters Office allocation of hazardous fuels funding to the Regions.

Question. In addition, how successful has the Forest Service been at integrating multiple budget line items, for instance hazardous fuels, forest health, and timber sales funding, into individual projects and getting “more bang for your buck?”

Answer. Multiple budget line items are being effectively used to address forest health, watershed health, and community protection issues, while also contributing to local economies and maintaining local industry infrastructure. The Forest Service collaborates with other Federal agencies, as well as State, local, and tribal partners and the general public in the creation of Community Wildfire Protection Plans, to prioritize treatments of hazardous fuels at the wildland-urban interface. The Forest Service will treat more than 1.5 million acres within the wildland-urban interface during fiscal year 2007. The allocation of various budget line items, such as Forest Products, Vegetation and Watershed Management, Forest Health, and Hazardous Fuels take into consideration these resource and community concerns. Forest health continues to be a priority for the administration, and the Forest Service is committed to addressing the issue across the Nation.

Question. Colorado alone has 800,000 acres of NEPA ready land that could be treated if funding were available. How effective a use of limited Forest Service dollars is it to fully fund the Pacific Northwest Forest Plan when that area of the country has the highest rate of lawsuits and therefore dollars spent often don't result in implementation?

It seems to me that a more worthwhile use of funding would be to re-apportion a fair amount of funding to Colorado to reduce the fire danger this year rather than send it to an uncertain fate in the Pacific Northwest.

Answer. The administration is committed to fully funding the Northwest Forest Plan. Cost efficiency is not the only consideration in allocating the Forest Products line item. For example, increasing timber sales increases the amount of receipts shared with the States and reduces outlays from the Treasury for payments authorized for the Secure Rural Schools and Community Self-Determination Act. The Forest Products line item is an important source of funding in meeting resource needs, addressing forest health and community protection issues, contributing to local economies, and maintaining local industry infrastructure. The allocation of the Forest Products line item takes into consideration these resource and community concerns and the allocation of other line items. Forest health is a priority for the administration and the Forest Service is committed to addressing the issue across the Nation.

The additional funding for the Northwest Forest Plan will allow the agency to offer 800 MMBF of timber volume, improve over 3,900 acres of terrestrial wildlife habitat and 120 miles of fisheries habitat, treat hazardous fuels in the wildland-urban interface and municipal watersheds, and address reforestation needs of recent large forest fires. The USDA Forest Service strongly supports the timber sale program on the Colorado national forests, and the agency is committed to allocating a combination of Forest Products and Hazardous Fuels funding to each region that is not less than the fiscal year 2006 allocation. This is necessary to ensure that critical vegetation management program continuity is maintained. The Forest Service determines within each region where the Forest Products funding should be allocated to best support forest management programs, while using Hazardous Fuels funding to address the highest priority fuel reduction needs.

Question. Can you provide me with the percentage and dollar amounts of the total funding that was appropriated for the purposes of Fire Preparedness and Fire Suppression that actually “reach the ground?” By “reach the ground,” I mean the amount that is actually used at the lowest level to fund temporary hires, permanent positions, purchase equipment, let contracts, etc to deal with the upcoming fire season.

Please provide nation-wide information, as well as numbers specifically relating to my home State of Colorado.

Answer. Fire Preparedness.—The Forest Service has \$666 million of Appropriated Fire Preparedness funds for fiscal year 2006. Fifty five percent or \$369 million will be available to fund firefighting capability and operations including temporary hires, permanent positions, purchase equipment, dispatchers, and contracting resources.

Within the State of Colorado, the Forest Service will spend approximately fifty percent or \$13 million on Preparedness capability and operations.

Fire Suppression.—The Forest Service has \$690 million of Appropriated Fire Suppression funds for fiscal year 2006. Seventy percent, or \$481 million, are available to fund temporary hires, permanent positions, purchase equipment, contracts, etc. for the upcoming fire season. The funds are available on an as-needed basis. Through April 30, 2006, the Forest Service has expended approximately \$2.6 million in Colorado.

Question. Forest Service Region 2, where Colorado is located, has more visitors to its national forests than any other region. Fully 32.5 million people visited there last year. This is a good thing because we want people to come, to get out, and to enjoy the great resources that are our forests. What is confusing though is that while the number of forest visitors is the highest the recreation funding it receives is not. In fact when you look at recreation funding, Region 2 gets less funding per visitor than any other region. Could you explain to me why this is the case?

Answer. The Forest Service continues to direct available resources towards meeting long-term strategic goals and providing increased support to programs that advance sustainable resource management, which includes providing outdoor recreational opportunities. Available recreation and trails program resources continue to be focused on efforts that maximize program delivery, emphasize delivery of services to the public, and strengthen partnerships which are vital to accomplishing stewardship work on the ground. The Rocky Mountain Region (Region 2) has taken several steps to reduce costs and improve the value of services to the taxpayer, including implementing the recreation sites facility master planning process, pursuing grants and matching funds, and actively engaging our partners in the management of the national forests. Given overall budgetary constraints, Region 2 will be working with other regions to similarly improve efficiencies.

Question. I'm interested in ways the Forest Service can reduce costs of management, and thereby be more efficient with the funds that we in Congress appropriate. The Healthy Forests Restoration Act contained a pre-decisional objection process and a streamlined judicial review process. How well are those working from the perspective of allowing the Forest Service to more effectively address or resolve conflicts, and how well are those working from the perspective of reducing costs?

Answer. The project level pre-decisional objection process used for hazardous fuels reduction projects authorized under the provisions of the Healthy Forests Restoration Act of 2003 encourages upfront participation by the public while preserving the opportunity to challenge a project and influence a decision before it is made. A pre-decisional process serves the public by encouraging efforts to resolve differences collaboratively, before a decision document is signed, rather than by addressing issues after a decision is made. Furthermore, better resource decisions with fewer legal challenges could result if interested citizens and organizations work with the agency to resolve concerns before a decision is made. The Forest Service is beginning to monitor planning and implementation of Healthy Forests Restoration Act projects along with all other projects through its new Planning, Appeals, and Litigation System (PALS) database. Fiscal year 2005 was the first full year of implementation for the planning portion of this tracking system. As data for fiscal year 2005 are still being reviewed, no statistical conclusions concerning efficiency may yet be made. The appeals and litigation portions of this tracking system are still being developed.

Question. How much does the USFS anticipate the Travel Management: Designated Routes and Areas for Motor Vehicle Use to cost to fully implement nationwide? Specifically, from what budgets within the USFS will funds be allocated in order to implement the Travel Management: Designated Routes and Areas for Motor Vehicle Use?

Answer. The Forest Service estimates that it will spend between \$15 and \$35 million per year over the next 4 years on travel planning. These obligations will occur within existing and available budget authority, so no new funding is necessary. Travel planning serves multiple purposes, and funding may be derived from a variety of Forest Service appropriations depending on the primary purposes served at the local level. Among the principal budget line items associated with travel planning are Roads, Trails, Recreation, Heritage and Wilderness, Wildlife and Fisheries Habitat Management, and Vegetation and Watershed Management.

Question. Currently, how many individual forests and/or forest districts functionally meet the requirements of the Travel Management: Designated Routes and Areas for Motor Vehicle Use and will have to only take minor actions (for example provide OHV travel maps) to be in full compliance?

Answer. The following units, comprising approximately 42 million acres, or 22 percent of the National Forest System, report that they already manage motor vehicles on a designated routes basis. These units will require relatively less in the way of new planning and decision-making to implement the travel management rule than those forests that are open to unregulated cross-country motor vehicle use.

Rocky Mountain Region (Region 2)

Arapaho-Roosevelt National Forest—Sulphur and Canyon Lakes Ranger Districts and Pawnee National Grassland; Grand Mesa National Forest; Uncompahgre National Forest; Routt National Forest; and Shoshone National Forest.

Southwestern Region (Region 3)

Coronado National Forest; Lincoln National Forest; Prescott National Forest; and Tonto National Forest—Cave Creek, Globe, Mesa, and Tonto Basin Ranger Districts.

Intermountain Region (Region 4)

Boise National Forest—Lowman and Cascade Ranger Districts; Bridger-Teton National Forest—Pinedale Ranger District; Caribou National Forest; Manti-La Sal National Forest—Ferron, Monticello, Price, and Sanpete Ranger Districts; Humboldt-Toiyabe National Forest—Carson Ranger District and Spring Mountains; National Recreation Area; Sawtooth National Forest—Sawtooth National Recreation Area; Uinta National Forest; and Wasatch-Cache National Forest.

Pacific Southwest Region (Region 5)

Los Padres National Forest; Lake Tahoe Basin Management Unit; Sequoia National Forest—Tule River, Hot Springs, and Hume Lake Ranger Districts; and Stanislaus National Forest—Summit Ranger District.

Pacific Northwest Region (Region 6)

Umatilla National Forest—North Fork John Day, Pomeroy, and Walla Walla Ranger Districts.

Southern Region (Region 8)

Caribbean National Forest; Cherokee National Forest; Chattahoochee-Oconee National Forests; Daniel Boone National Forest; Francis Marion & Sumter National Forests; National Forests in Alabama; National Forests in North Carolina; Ozark-St. Francis National Forests; George Washington and Jefferson National Forests; Land Between the Lakes National Recreation Area; Caddo National Grassland; Lyndon B. Johnson National Grassland; Sam Houston National Forest; and Delta National Forest.

Eastern Region (Region 9)

Chequamegon-Nicolet National Forests; Finger Lakes National Forest; Hiawatha National Forest; Hoosier National Forest; Mark Twain National Forest; Midewin National Tallgrass Prairie; Monongahela National Forest; Shawnee National Forest; Wayne National Forest; and White Mountain National Forest.

Alaska Region (Region 10)

Chugach National Forest.

Question. We have several mills in western Colorado that manufacture aspen paneling and aspen excelsior. They depend on the national forests for aspen timber sales. We have a lot of aspen on the national forests in western Colorado, and it's important to manage our aspen stands. For some reason the Forest Service hasn't been selling as many aspen timber sales the last couple years. These small family owned businesses are on the edge of not surviving. I don't think the Forest Service can afford to lose any more of the forest products companies that help you manage the national forests. These companies are important to western Colorado and they're important to me. Can you tell me if there is sufficient funding in the proposed fiscal year 2007 budget to fund aspen timber sales in Colorado?

Answer. There is sufficient funding for the aspen program. There are three mills that primarily use aspen—Delta Timber in Delta, CO; Western Excelsior in Mancos, CO; and Aspen Wall Wood in Dolores, CO. Most of the commercial aspen the agency sells comes from the San Juan, White River, and Grand Mesa, Uncompahgre, and Gunnison National Forests.

The aspen sold in Region 2 over the last few years has been 2.6 MMBF in fiscal year 2005, 0.7 MMBF in fiscal year 2004, and 4.8 MMBF in fiscal year 2003. From

those forests, we plan to offer approximately 10 MMBF in fiscal year 2006. For fiscal years 2007–2010, our planned offer will vary from 5 to 9 MMBF per year, but could increase further to respond to the aspen mortality now occurring primarily on the San Juan National Forest.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

Question. In fiscal year 2006, I continued \$350,000 to fund leafy spurge activities on the Dakota Prairie Grasslands.

What activities were funded? Which organizations received funding?

Answer. The Dakota Prairie National Grassland is currently working on agreements with the organizations listed below to receive earmark funding for leafy spurge control, including herbicide treatment, release of biological control agents and mapping of infestations. The agreements are based on the available earmarked funds. The Dakota Prairie Grassland spends additional program dollars to inventory infestations, monitor prior treatments and conduct environmental analysis for additional treatments, but these funds are not reflected in the agreements or distributed to these organizations.

Billings County; Golden Valley County; Grand River Grazing Association; Little Missouri Grazing Association; McKenzie County Grazing Association; Ransom County; Richland County; Sheyenne Valley Grazing Association; and Slope County.

Question. What is the total number of acres that were treated in fiscal year 2006?

Answer. Although the field work has not been completed, we expect accomplishments to exceed 15,000 acres in fiscal year 2006. The Sheyenne Valley Grazing Association alone is planning to conduct herbicide treatments on 13,000 acres and graze goats on an additional 2,000 acres.

Question. Your budget justification doesn't specify any set amount for leafy spurge control on the grasslands. I want to make sure this work is continued.

How much funding in the President's Budget is available in total for leafy spurge eradication on the Dakota Prairie Grasslands?

Answer. The fiscal year 2007 President's Budget, relative to the fiscal year 2006 enacted budget, increases the Manage Noxious Weed and Invasive Plants activity by \$1,276,000 (6 percent) and increases targeted outputs by 34,902 acres (43 percent). This increased program emphasis will provide additional funds for high priority treatments; however, unit-specific allocations have not been determined at this time.

Question. Does your budget continue my \$350,000 earmark for cooperative work with grazing associations and county weed boards?

Answer. The fiscal year 2007 President's Budget does not include the earmark provided in fiscal year 2006. However, the unit will continue to work with the grazing associations and county weed boards to identify high priority treatment areas and to implement treatments through cost-effective cooperative agreements. The planned completion of a noxious weed treatment environmental analysis in fiscal year 2006 will also increase the unit's flexibility to implement efficient treatment options, including continuation of existing partnerships.

Question. GAO has now ruled twice that the Forest Service improperly awarded a \$100 million contract for its National Recreation Reservation System and directed the agency to recompile the contract. This is after the agency attempted to initially sole-source the contract. The Forest Service has indicated that it will not abide by GAO's second determination, despite the fact that the Comptroller General again found significant errors in the contracting process and told the agency to recompile the contract.

How often in the past 10 fiscal years has the U.S. Forest Service sought to have the Secretary of Agriculture grant a waiver under the Competition in Contracting Act to sole-source a contract? Please provide details on any such occurrences.

Answer. The Forest Service competitively sources contracts whenever possible, using the Secretary's waiver under the Competition in Contracting Act to enable a sole-source acquisition only once in the last 10 fiscal years, and that was in connection with the intent to amend the existing national recreation reservation system contract with Reserve America in 2003 to provide for the addition of the National Park Service recreation sites to be incorporated into that contract. On June 24, 2003, USDA Secretary Ann Veneman approved the determination, in accordance with Federal Acquisition Regulation 6.302–7, that it was in the public interest to modify, on a noncompetitive basis, the Reserve America, Inc. contract to integrate a portion of the Department of the Interior recreation reservation requirements with those of the USDA Forest Service and the U.S. Army Corps of Engineers. This action was taken to implement direction from the OMB Director in 2002 to the De-

partment Secretaries of USDA and DOI and the Director of the USACE to consolidate various recreation reservation systems into one system. The National Park Service units incorporated into the Reserve America contract under this action were those which were not covered under an existing DOI contract, and in anticipation of the award of an integrated national recreation reservation system contract in 2005. This action was challenged in the U.S. Court of Claims and was upheld.

Question. How often in the past 10 fiscal years has the U.S. Forest Service failed to abide by a procurement recommendation by the GAO? Please provide details of any such occurrence.

Answer. The current determination not to follow the recommendation of GAO concerning the protest of the award of the integrated national recreation reservation system contract is the only instance where the Forest Service has decided not to follow the recommendation of the GAO.

Question. Mr. Rey indicated that he thought it was “not uncommon” for other agencies not to follow GAO’s recommendations on procurement cases. Please provide a list of any instances where other agencies have overridden GAO’s recommendation on procurement cases in the last 10 fiscal years?

Answer. The Forest Service does not possess specific information regarding instances where other agencies have declined to follow GAO recommendations. However, it is known that there are other cases where Federal agencies have declined to follow GAO recommendations. Specific information on these cases would need to be obtained from the GAO.

Question. Has the USDA Inspector General examined the NRRS contracting dispute? If not, why not?

Answer. To our knowledge, the USDA Office of the Inspector General (OIG) has not reviewed, or has not otherwise been involved in review of the source selection process or litigation concerning award of the national recreation reservation system contract. The dispute and adjudication venues in the Federal acquisition process are well defined, and those venues do not include the OIG. No whistleblower complaint, allegations of fraud, waste, or abuse, or other allegation which may trigger an OIG investigation, has taken place. OIG determines which audits and reviews it conducts independently of the Forest Service, and we respectfully defer to them any questions regarding their work.

Question. Your budget says the agency will have to spend \$52 million to cover the costs of pay inflation in the fiscal year 2007 budget. That doesn’t even include funding for non-pay inflation for things like rent and utilities.

What is the total amount of unfunded fixed costs that will absorb in fiscal year 2007?

Answer. Forest Service costs for the 2.3 percent pay increase would be about \$52 million. In addition, non-pay costs assuming a 2.3 percent inflation factor would be about \$41 million—for a total of \$93 million.

Question. What is the total amount of fixed costs that you estimate that the Forest Service has been forced to absorb over the past five years?

Answer. The cost of pay raises between fiscal year 2003 and fiscal year 2007 (inclusive) total \$392 million. Non-pay inflation is estimated to be about \$273 million. In order to address these costs, the Forest Service is currently conducting organizational efficiency studies and will have specific recommendations in the fiscal year 2008 President’s Budget.

Question. Your budget claims \$39 million in saving from “program efficiencies” from business restructuring and other reforms.

How are you tracking savings to make sure they are true “efficiencies” and not cuts to programs?

Answer. Performance Work Statements (PWS) for A-76 competitions are crafted to ensure the full program is included within the scope. Actual performance is measured against the PWS requirements.

Cost reductions for the business process re-engineering efforts are tracked in the financial system against a baseline of costs included in the respective business case. The business cases outlined how the programs would be structured and implemented under a revised structure. Each program area has service-level agreements to help ensure the quantity and quality of service meets needs outlined by the agency.

Question. Your budget contains a 30 percent cut in State fire assistance. States like North Dakota depend heavily on Federal resources to help them train and equip their fire fighters—fire fighters that are often first responders to thousands of fires each year on Federal land.

How do you expect State and local governments make up the difference of these cuts?

Answer. The Forest Service supports efforts to improve firefighting readiness, and recognizes the primacy of State and local governments in providing these essential services to their citizens. In addition to Forest Service financial assistance, the Forest Service will continue to work with local communities and the State foresters with an emphasis on community wildfire protection planning and coordination on FEMA hazard mitigation plans. Hazardous fuels treatments in the critical wildland-urban interface and building fire preparedness at the State and local level remain priorities.

Question. Since State and local firefighters are often the first responders to Federal lands, are we shortchanging our own readiness?

Answer. The implications of reduced levels of funding in State Fire Assistance will vary from State to State. Generally, depending on the capability of each State, there may be less overall funding for preparedness at the State and local level to provide initial attack and extended attack assistance to Federal firefighting resources on Federal fires. Depending on the funding capabilities of the States and local communities, hazardous fuel treatments on the State and private portions of the wildland-urban interface may be reduced from prior years. Some of that reduction may be offset by proposed increases in hazardous fuel accomplishments on national forest acres in the wildland-urban interface.

Question. Though you list improving forest health as one of your top activities, your budget cuts total Forest Health grants by 23 percent. The budget includes a \$7 million cut to programs that combat gypsy moth infestation. You also have cuts to your gypsy moth research program.

Why did you target the gypsy moth program for cuts? How many fewer acres will be treated with under this budget proposal, as compared to fiscal year 2006?

Answer. When gypsy moths first move into an area, there are often significant impacts on both tree mortality and nuisance to humans. After many years, forests recover and introduced predators, parasites, and disease reduce gypsy moth population growth. The President's Budget redirects resources from insect suppression projects in the generally infested areas that have had gypsy moth for many years to projects for slowing the spread of the gypsy moth in the highest priority areas along the leading edge of the advancing infestation, as well as the eradication of new infestations outside the generally infested area. The President's budget also focuses resources on the detection and eradication of new invasive species such as the Sirex woodwasp, emerald ash borer, and others which pose serious threats to the Nation's rural and urban forests. Approximately 340,000 acres are planned for treatment to suppress, eradicate, and slow the spread of the gypsy moth in fiscal year 2007 compared to approximately 700,000 in fiscal year 2006.

Question. The Forest Service and Interior Department should be working together on an interagency approach to fight fires. But, it appears that no one is talking to each other when you plan your budgets. For example, you increase funding for fuels treatments by \$10 million, while DOI's is cut by the same amount; your volunteer fire assistance is flat, while they zero out their Rural fire program.

Why are the Forest Service and DOI fire budgets inconsistent?

Answer. The fiscal year 2007 budget reflects the President's commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery. The fiscal year 2007 budget aligns with the national priorities and recognizes differences in statutory authority provided to the agencies by the Congress. The USDA and the DOI worked together closely to ensure the National Fire Plan programs would be funded at a level that would allow both departments to meet their planned readiness level.

Question. The Interior bill limits the agency's spending on "competitive sourcing and related activities." For fiscal year 2006, you have a \$3 million limit. In fiscal year 2005, it was \$2 million. You are also required to report to Congress on "incremental costs" that you are spending on these programs. As far as I know, Congress have not received a report that details your competitive sourcing costs for fiscal year 2005 as called for in the law, and we have no idea what you plan to spend in fiscal year 2006.

How much did your agency spend on its competitive sourcing and related activities in fiscal year 2005? What amount do you plan to spend in fiscal year 2006?

Answer. The Competitive Sourcing Program Office (CSPO) operational expenses for fiscal year 2005 were \$1.2 million; key activities were post-study reviews of the process and decisions of the Forest Service A-76 competitions of Region 5 privatization of fleet maintenance and road maintenance. Feasibility study follow-up analysis and review of decisions are management activities similar to those required for oversight of any Forest Service program of work. In fiscal year 2005, the communica-

tions program feasibility study was performed and there were no A-76 competitive sourcing studies initiated or implemented.

As defined in Public Law 109-54, in fiscal year 2006, the total CSPO budget is \$1,615,863 which includes \$1,042,976 allocated for contractor support; the CSPO is funded at \$572,887. As feasibility studies are completed, additional funding may be added to implement the recommendations. Total funds expended in the program in fiscal year 2006 will not exceed the \$3 million cap.

Question. How is the agency sure you are complying with the \$3 million spending limitation for fiscal year 2006? How are you tracking expenses?

Answer. In order to comply with congressional direction and to better manage the USDA Forest Service Competitive Sourcing Program, the Competitive Sourcing Program Office instituted tracking by activity of all resources expended by its contractor support, including A-76 competitions, feasibility studies, and the FAIR Act Inventory. As there were no new A-76 competitions in fiscal year 2005 and that the costs to monitor post competition activity for the purposes of OMB Circular No. A-76, the USDA Forest Service tracking of expenditures was compliant with Congressional direction in its intent and effectiveness.

Question. You list a number of "feasibility studies" underway or planned in your budget justification, but you don't say how much these are costing.

How much are you spending in feasibility studies in fiscal year 2006? How much do you propose to spend in fiscal year 2007?

Answer. Although the process for the USDA feasibility studies has been prescribed by the USDA OCFO, every function and organization is different, and therefore predicting a total cost with any reliability would not be possible. As the USDA Forest Service moves forward, all costs will be developed and captured in a proposed action plan subject to leadership approval. It is estimated that from \$400,000 to \$700,000 will be spent on feasibility studies during fiscal year 2006. Spending in fiscal year 2007 will depend on the outcome of the fiscal year 2006 studies.

Question. Are you counting the costs of these studies toward the annual spending cap?

Answer. As stewards of America's national forests and grasslands, it is essential for the Forest Service to regularly assess organizational effectiveness to ensure that finite resources are optimally applied to performance of the agency mission. Feasibility studies are a management tool specifically designed to objectively, comprehensively, and transparently identify opportunities for improvement in agency programs that could be achieved in a variety of ways. Forest Service feasibility studies are completed to determine if competitive source competitions should be carried out and are guided by specific agency contractors. Feasibility study contractor costs are tracked by the Competitive Sourcing Program Office and are counted under the congressionally mandated funding cap.

Question. You claim \$20 million in savings in fiscal year 2005 from your competitive sourcing activities.

How are you tracking costs to make sure you can back those savings up?

Answer. Contracting officers overseeing the various contracts are tracking the contractual costs of activities which have been outsourced to the private sector. This information is clearly tracked in the Integrated Acquisition System. Private sector contract costs are tracked through the routine contractor billing payment process as would occur with any private sector contract. The Competitive Sourcing Activities Savings and Performance Update (Section 647 Report) shows total accrued savings. This report is completed by comparing the actual performance costs with the projected costs of in-house performance.

For Letters of Obligation (LOO) that went to Government Most Efficient Organizations (MEOs), the MEOs (pursuant to agency policy and the terms of the LOO) are required to report actual costs on a quarterly basis. Specific job codes are used to capture these costs as per agency policy. To date, the Forest Service only has one MEO, the Information Solutions Organization (ISO).

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. The products that come off our Nation's forest are key to the economy of Wisconsin. My State is one of the leader's in forest and paper products. I am concerned that the administration is not taking the forest products industry seriously by failing to adequately fund research into improving paper and wood products technology. Since the mid-1990s the funding for the Forest Products Lab (FPL) in Madison has failed to keep pace with inflation, and it has not risen with increased budgets for forest research. The research conducted at FPL is key to maintaining our international competitiveness in paper and construction materials. The administra-

tion's decision to fund the FPL at \$19.365 million this year indicates that the Forest Service does not value the thousands of jobs in my State that depend on a vibrant and technologically advanced forest products industry.

Why has the funding for the Forest Products Lab failed to keep pace with the growth in the Forest Research account?

Answer. Growing needs in fire, watershed, and invasive species research emerged as agency priorities during the 1990s, and as a result, forest products utilization research did not grow as rapidly. Since fiscal year 2005, Forest Inventory and Analysis has received the highest priority for funding, leaving non-FIA research flat to declining in inflation-adjusted dollars. However, the future for research at the Forest Products Laboratory is bright. The FPL has refocused its program on the key areas critical to paper and wood related products with significant potential spin-off benefits for air, water, and fire technology development as well. Research into nanotechnology, advanced structures, advanced composites, bio-refining and small diameter tree utilization positions the FPL well for re-emergence as the world's premier forest-based materials science facility. The President's fiscal year 2007 Budget provides an appropriate balance between Federal wood utilization research and that of the private sector.

Question. Is it the administration's long-term vision that timber be harvested in the United States but processed elsewhere as the domestic industry becomes outdated?

Answer. The administration supports sustainable forest management and use, as well as the need to improve the U.S. forest products industry through balanced public and private sector investments in research, new technologically advanced equipment, and up-to-date product processing facilities. The Forest Products Laboratory in Madison, WI, with funds provided by Congress, is continuing to provide important new technology to make the U.S. forest products industry globally competitive.

Question. Why has the administration continued to underfund research into improved paper technology and safer, stronger, and more durable building materials?

Answer. Paper and building materials technology has not been a high priority for Federal research in recent years. While these areas of research are considered important enough to continue to fund them in times of decreasing Federal discretionary funding, other research programs, such as Forest Inventory and Analysis, and fire and invasive species research have received focused increases.

Question. Can we expect this funding trend to reverse itself before more Wisconsin jobs are lost?

Answer. While Federal research investments can provide important long-term contributions to the national economy, market forces that are well beyond the control of the Forest Service will have a much greater impact on the level of private sector employment in any given State than a given year's modest increase or decrease of Forest Service research funding. Phase I of the \$45 million FPL modernization initiative is in the fiscal year 2007 President's Budget. In addition, the FPL is building strong partnerships with industry in the development of alternative fuels that will help our Nation reduce its dependency on oil imports. These partnerships will certainly help build support internally and externally for the FPL.

Question. How does the Forest Service intend to fund the implementation of the new Designated Routes and Areas off-highway vehicle rule?

Answer. On November 9, 2005, the Department of Agriculture published a final travel management rule (36 CFR parts 212, 251, 261, and 295) governing the use of motor vehicles on National Forest System lands. The Forest Service believes that this rule represents a critical step in addressing unmanaged recreation, which is one of the four key threats to national forests and grasslands.

The travel management rule requires each national forest to designate those roads, trails, and areas open to motor vehicle use by vehicle class and, if appropriate, by time of year. Decisions about which roads, trails, and areas should be designated will be made at the local level, with public participation and coordination with State, county, and tribal governments. The agency intends to complete route designation within the next 4 years. On most national forests, travel planning will require a substantial effort, including environmental analysis and documentation prepared in an open, collaborative process.

Travel management is a key agency priority, and the Forest Service will prioritize its work and accomplish travel planning within the funds available. Travel management serves multiple purposes, and funding may be used from a variety of Forest Service appropriations depending on the primary purposes served at the local level.

Question. Clearly the President's budget recommendation would severely decrease funding for the relevant Trails and Recreation budgets. What other sources of funding have been made available for the planning and implementation of this rule?

Answer. The Forest Service estimates that it will spend between \$15 and \$35 million per year over the next 4 years on travel planning. These obligations will occur within existing and available budget authority, so no new funding is necessary. Travel planning serves multiple purposes, and funding may be derived from a variety of Forest Service appropriations depending on the primary purposes served at the local level. Among the principal budget line items associated with travel planning are Roads; Trails; Recreation, Heritage and Wilderness; Wildlife and Fisheries Habitat Management; and Vegetation and Watershed Management.

Question. I am also concerned about the Forest Service's effort to competitively source some of the jobs in the Service. I am concerned that the Service does not adequately track whether competitively sourcing jobs really saves the taxpayers money in the long run.

How does the Forest Service track whether it saves money by competitively sourcing jobs?

Answer. Contracting officers overseeing the various contracts are tracking the contractual costs of activities which have been outsourced to the private sector. This information is clearly tracked in the Integrated Acquisition System. Private sector contract costs are tracked through the routine contractor billing payment process as would occur with any private sector contract. The Competitive Sourcing Activities Savings and Performance Update (Section 647 Report) shows total accrued savings. This report is completed by comparing the actual performance costs with the projected costs of in-house performance.

Question. Does the Service has a mechanism to allow government employees to compete for privately sourced jobs in the future, or is competitive sourcing a one way street?

Answer. If a recompetition occurs for previous competed services under A-76 guidance and the recompetition is under A-76 guidance, then the agency could form a Most Efficient Organization (MEO) to compete, but this has not happened in the Forest Service to date.

Question. How does the Service decide which jobs to compete, and how do you ensure that decisions that are inherently governmental are always made by government employees?

Answer. At the USDA Forest Service, feasibility studies are used to determine what, if any, functional areas are likely to produce a significant performance or financial return on investment if submitted to further management analysis. The outcomes of such studies recommend whether or not to pursue a Business Process Re-invention (BPR), OMB Circular No. A-76 competition, some other business process improvement technique, or maintain the current status. The USDA Forest Service experience has shown that comprehensive feasibility studies offer the opportunity to identify holistic business units and the relationships they have with the entire organization. By looking at those commercial activities not yet examined in a collective fashion rather than piece by piece, the USDA Forest Service hopes to identify the best opportunities for improvement after all factors and impacts are considered. The feasibility studies, therefore, will take place over the period of the next several years, reviewing multiple program areas.

Inherently governmental job activities that can only be performed by government employees are not competed under OMB Circular A-76.

SUBCOMMITTEE RECESS

Senator BURNS. The subcommittee will stand in recess to reconvene at 9:30 a.m., Thursday, March 30, in room SD-124, Dirksen Senate Office Building. At that time we will hear testimony from the Honorable Lynn Scarlett, Deputy Secretary, Department of the Interior.

[Whereupon, at 10:35 a.m., Thursday, March 16, the subcommittee was recessed, to reconvene at 9:30 a.m., Thursday, March 30.]